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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

ROBERT COHEN, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

FOOTHILL/EASTERN
TRANSPORTATION CORRIDOR
AGENCY; SAN JOAQUIN HILLS
TRANSPORTATION CORRIDOR
AGENCY; 3M COMPANY and BRIC-
TPS LLC,

Defendant.

) Case No.

) **CLASS ACTION**

) COMPLAINT FOR:

) (1) Violation of Fair Credit
Reporting Act (Fair and Accurate
Credit Transaction Act), 15
U.S.C. § 1681 *et seq.*

) **DEMAND FOR JURY TRIAL**

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1 Plaintiff Robert Cohen (“Plaintiff”), individually and on behalf of all others
 2 similarly situated, alleges the following upon personal knowledge as to his own
 3 acts and, as to all other allegations, upon information and belief and investigation
 4 by counsel.

5 **NATURE OF ACTION AND SUMMARY OF ALLEGATIONS**

6 1. Plaintiff brings this class action on behalf of himself and a class of
 7 persons, who received an electronically printed receipt from The Toll Roads in
 8 Orange County, California (“The Toll Roads”) that improperly disclosed more than
 9 the last five digits of their credit or debit cards in violation of the Fair Credit
 10 Reporting Act (“FCRA”), 15 U.S.C. § 1681c(g)(1), also known as the Fair and
 11 Accurate Credit Transactions Act (“FACTA”).

12 2. The Toll Roads are operated by Defendants Foothill/Eastern
 13 Transportation Corridor Agency (“F/ETCA”) and San Joaquin Hills Transportation
 14 Corridor Agency (“SJHTCA”) (collectively, the Transportation Corridor Agencies
 15 (“TCA”)), and its independent contractors, 3M Company (“3M”) and BRiC-TPS
 16 LLC (“BRiC-TPS”), which are outsourced to operate The Toll Roads’
 17 administrative functions (TCA, 3M, and BRiC-TPS are collectively referred to
 18 herein as “Defendants”).

19 3. FACTA requires that any person – including any individual,
 20 corporation, government or government subdivision or agency, or other entity –
 21 that accepts credit or debit cards for transaction of business truncate the credit and
 22 debit card numbers to only disclose the last five digits on electronically printed
 23 receipts in order to prevent identity theft and fraud involving cardholders. FACTA
 24 was amended in 2007 to clarify that it prohibited the printing of expiration dates of
 25 credit and debit cards on electronically printed receipts as well as requiring the
 26 truncation of card numbers. FACTA became effective on December 4, 2006.

27 4. Since its enactment in 2006, the requirements of FACTA have been
 28 widely publicized, including to Defendants.

1 5. Also, as early as 1999, Defendants were on notice and bound by
 2 truncation of credit and debit card numbers requirements that were the same as
 3 FACTA's, when the legislature of California enacted a law, California Civil Code
 4 § 1747.9, that mirrored that language of FACTA. Although now preempted by its
 5 federal counterpart FACTA, the California law became effective on January 1,
 6 2001 for machines and devices in use on or after that date, and on January 1, 2004
 7 for machines and devices in use before January 1, 2001.

8 6. The TCA created, and now operate, The Toll Roads, which are 51
 9 miles of roadway used by an estimated 250,000 drivers every day, representing the
 10 largest network of toll roads in the state of California.

11 7. The TCA contracted with 3M – formerly VESystems, LLC
 12 (“VESystems”) – for almost 15 years to perform The Toll Roads' administrative
 13 functions, including toll enforcement and customer service that involved operating
 14 a system for processing toll transactions and generating receipts for customers for
 15 their payment of tolls at the point of sales or transactions. 3M's contract with the
 16 TCA to provide toll enforcement and customer service recently expired on June 30,
 17 2015. However, pursuant to an amendment to the license agreement, The Toll
 18 Roads continue to use 3M's software as part of its legacy system to process toll
 19 transactions captured on the road, assign them to the proper category of customer
 20 accounts, one-time tolls, or violations to ensure the TCA collects all of its revenue.

21 8. On July 1, 2015, TCA agreed to an interim 18-month contract with
 22 BRiC-TPS to provide maintenance and support in connection with 3M's prior toll
 23 enforcement and customer service contract, and specifically relating to its legacy
 24 system until a replacement could be procured. BRiC-TPS originally created The
 25 Toll Roads system and hired the individuals who worked for 3M under its contract
 26 with the TCA.

27 9. Defendants operate The Toll Roads as an electronic tolling system
 28 that typically only accepts payment in the form of credit or debit cards for the use

1 of its toll roads, subject to FACTA's requirements. Even before becoming an all-
 2 electronic (*i.e.*, no cash) toll system in May, 2014, drivers predominately paid with
 3 their credit or debit cards.

4 10. Despite being on notice for over a decade, Defendants willfully,
 5 knowingly, or recklessly violated FACTA, 15 U.S.C. § 1681c(g)(1), designed to
 6 prevent identity theft, when Plaintiff and other Class Members paid their tolls with
 7 a credit or debit card and received an electronically printed receipt from The Toll
 8 Roads disclosing more than the last five digits of their card numbers.

9 11. Plaintiff was damaged, in an amount to be determined at trial, because
 10 The Toll Roads operated by Defendants printed the first four digits and the last
 11 four digits of his debit card on his electronically printed receipt, when he paid his
 12 one-time toll, thereby subjecting him to an increased risk of identity theft and
 13 fraud.

14 12. Plaintiff, on behalf of himself and the Class, seeks statutory and
 15 punitive damages pursuant to 15 U.S.C. § 1681 *et seq.*, and other legal and
 16 equitable relief resulting from Defendants' improper disclosure on The Toll Roads'
 17 electronically printed receipts of more than the last five digits of customers' credit
 18 or debit cards in willful, knowing, or reckless violation of FACTA.

19 **JURISDICTION AND VENUE**

20 13. The Court has jurisdiction pursuant to 28 U.S.C. § 1332(d) because
 21 there are at least 100 Class Members in the proposed Class, the combined claims of
 22 proposed Class Members exceed \$5,000,000 exclusive of interest and costs, and at
 23 least one Class Member is a citizen of a state other than Defendant's state of
 24 citizenship. The Court also has jurisdiction pursuant to 28 U.S.C. § 1331 because
 25 a federal question is involved – *i.e.*, whether Defendant violated the FCRA, also
 26 known as FACTA, 15 U.S.C. § 1681 *et seq.*

27 14. Defendants TCA are California government agencies located within
 28 this District and purposefully avail themselves of the California consumer market

1 by establishing and operating The Toll Roads used by residents and visitors within
2 this District.

3 15. Defendant BRiC-TPS is also located in within this District and
4 purposefully avails itself of the California consumer market by contracting with the
5 TCA to perform The Toll Roads' administrative functions – including relating to
6 processing of toll transactions and payments within this District – which are used
7 by residents, including Plaintiff, and visitors, who received The Toll Roads'
8 receipts.

9 16. Defendant 3M also purposefully avails itself of the California
10 consumer market by contracting with The Toll Roads within this District to
11 perform The Toll Roads' administrative functions – including processing of toll
12 transactions and payments within this District – which are used by residents,
13 including Plaintiff, and visitors who received The Toll Roads' receipt.

14 17. Venue is proper pursuant to 28 U.S.C. § 1391 because a substantial
15 part of the events giving rise to the claims asserted occurred in this District, and
16 Plaintiff dealt with Defendants, who are located, and/or do business, in this
17 District. Venue is proper pursuant to 28 U.S.C. § 1391 because Defendants
18 conduct substantial business in this District, have sufficient minimum contacts with
19 this District, and otherwise purposely avail themselves of the markets in this
20 District, through their management and operation of The Toll Roads in this
21 District.

22 **THE PARTIES**

23 18. Plaintiff Robert Cohen ("Plaintiff") is a resident of Tustin, California.
24 On August 11, 2015, Plaintiff drove a section of The Toll Roads and paid his one-
25 time toll with his debit card at a Toll Roads' service center. At the time of the
26 transaction or point of sale, Plaintiff received an electronically printed receipt from
27 The Toll Roads that improperly disclosed the first four and last four numbers of his
28 debit card.

1 19. Defendants TCA were formed in 1987 by a Joint Power Agreement
 2 (“JPA”) giving them the authority to construct new roads as toll facilities, and
 3 issue bonds backed by future toll revenues and development impact fees. The
 4 F/ETCA JPA members include the County of Orange and the cities of Anaheim,
 5 Dana Point, Irvine, Lake Forest, Mission Viejo, Orange, Rancho Santa Margarita,
 6 San Clemente, San Juan Capistrano, Santa Ana, Tustin, and Yorba Linda. The
 7 SJHTCA JPA members include the County of Orange and the cities of Aliso Viejo,
 8 Costa Mesa, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Laguna Woods,
 9 Mission Viejo, Newport Beach, San Clemente, San Juan Capistrano, and Santa
 10 Ana. The San Joaquin Hills (SR 73), Foothill (SR 241), and Eastern (SRs
 11 241/261/133) Toll Roads were the first public highways to be constructed in
 12 Orange County since 1987 when the Costa Mesa (SR 55) Freeway was extended.
 13 The Toll Roads are owned and maintained by the state of California.

14 20. Defendant 3M is a Delaware corporation, located in St. Paul,
 15 Minnesota. 3M states that it is a global innovation company that focuses on
 16 applying science in collaborative ways to improve lives daily. The TCA
 17 outsourced The Toll Roads’ administrative functions to 3M, formerly VESystems,
 18 for almost 15 years through its Toll Enforcement and Customer Service Center
 19 Contract, K000164, which amounted to about \$4.5 million a year for F/ETCA, and
 20 \$2.2 million a year for SJTCA, for fiscal year 2015. In June 2012, 3M also
 21 acquired Federal Signal Technologies Group from Federal Signal Corp., including
 22 another TCA contractor, VESystems, which provides toll account management and
 23 violation processing software and services for The Toll Roads. 3M’s Toll
 24 Enforcement and Customer Service Center Contract expired on June 30, 2015.
 25 However, pursuant to an amendment to its licensing agreement with the TCA, The
 26 Toll Roads continues to use 3M’s legacy system to process transactions including
 27 linking tolls to customers’ accounts, one-time-tolls, and violations.
 28

21. BRiC-TPS is located at 19600 Fairchild Road, Irvine, CA 92612. It provides transaction management through maintenance and modification for transportation solutions. BRiC-TPS created The Toll Roads' original system for transaction processing of tolls and hired the persons who worked under the 3M contract with the TCA. On July 1, 2015, it began an interim contract with the TCA to provide support and maintenance of 3M's legacy system including processing toll transactions for customers following the expiration of 3M's contract.

FACTUAL ALLEGATIONS

Background of FACTA

22. Thieves commonly obtain credit or debit card receipts that are stolen, lost, or discarded, and use this information to engage in fraudulent and unauthorized credit and debit card transactions. They are facilitated in deciphering account numbers if more than the last five digits of a credit or debit card are disclosed.

23. On December 4, 2003, in order to help prevent identity theft and fraud for consumers, Congress passed FACTA as an amendment to the FCRA. FACTA became effective on December 4, 2006 for machines and devices in use before January 1, 2005, and immediately for machines and devices in use after January 1, 2005.

24. FACTA, 15 U.S.C. § 1681c, states, in pertinent part:

(g) Truncation of credit card and debit card numbers

(1) . . . no person that accepts credit cards or debit cards for the transaction of business shall print *more than the last 5 digits* of the card number or the expiration date upon any receipt provided to the cardholder at the point of sale or transaction.

(Emphasis added).

25. As defined in the FCRA, 15 U.S.C. § 1681a(b), the term "person" includes "any individual, partnership, corporation, trust, estate, cooperative,

1 association, *government or government subdivision or agency* or other entity”
2 (emphasis added).

3 26. The FCRA, 15 U.S.C. § 1681a(c), also defines the term “consumer”
4 as an individual.

5 27. Under FACTA, 15 U.S.C. § 1681n(a), violators are liable to the
6 consumer in an amount equal to 1) statutory damages of not less than \$100 and not
7 more than \$1,000; 2) punitive damages; and 3) attorney fees and costs.

8 28. The requirements regarding truncation of consumers’ credit and debit
9 card numbers, under FACTA, only apply to electronically printed receipts.

10 29. The truncation of the credit and debit card numbers on electronically
11 printed receipts makes it more difficult for thieves to decipher the additional
12 numbers to identify credit and debit cards, and thus prevents theft. However, this
13 truncated information remains sufficient for merchants to reconcile account
14 information, process returns, and conduct other forms of legitimate business.

15 30. FACTA’s requirement of the truncation of credit and debit card
16 numbers by persons that accept them for payment were widely publicized by
17 federal government agencies, including the Federal Trade Commission, as well as
18 by other businesses, and locally through industry groups and organizations.

19 31. Even before FACTA was adopted on a federal level that preempted
20 similar state identity theft laws, the state of California had a similar law already in
21 effect. In 1999, the legislature of California enacted a law, California Civil Code
22 § 1747.9, that mirrored the language of FACTA credit and debit card truncation
23 requirements. The California law became effective on January 1, 2001 for
24 machines and devices in use on or after that date. Although the California law is
25 now preempted by FACTA, Defendants were on notice and bound by these same
26 requirements since at least the enactment of the California law in 2001.

27 32. Many credit card companies – including Visa, MasterCard, and
28 American Express – notified merchants that processed their cards, including

1 Defendants, of FACTA provisions and implemented their own policies for
2 themselves and their merchants to ensure compliance with FACTA.

3 33. Visa, for example, required that cardholder information on receipts be
4 restricted to only the last four digits of credit or debit cards, not FACTA's five
5 digits, and eliminated expiration dates. According to a July 14, 2010 publication,
6 Visa Best Practices for Primary Account Number ("PAN") Storage and
7 Truncation, in order to clarify confusion about interpretations of Visa policy, Visa
8 stated that it does not require merchants to store PANs, but does recommend that
9 merchants rely on their acquirer processor to manage this information on the
10 merchants' behalf. Visa also reminds merchants of FACTA requirements and
11 further advises merchants regarding cardholders' receipts to:

12 Disguise or suppress all but the last four digits of the PAN, and suppress the
13 full expiration date, on the cardholder's copy of a transaction receipt created
14 at a point of sale (POS) terminal or an ATM (already required for merchants
15 in the U.S., Europe, and CEMEA; Visa will apply this rule across all regions
16 in the near future to provide global consistency).

17 Example: XXXXXXXXXXXXX1234 for the PAN and XXXX for the
18 expiration date.

19 Visa, Visa Best Practices for Primary Account Number Storage and Truncation,
20 July 14, 2010, at 2 (emphasis omitted), [http://usa.visa.com/download/merchants/
21 PAN_truncation_best_practices.pdf](http://usa.visa.com/download/merchants/PAN_truncation_best_practices.pdf) (last visited October 20, 2015).

22 34. In Visa's current Guidelines for Merchants, Visa directs its merchants,
23 in pertinent part:

24 **Ensure that the Visa account number is suppressed in accordance with**
25 **Visa rules and local laws and regulations.** Effective 1 October 2014, Visa
26 will require the account number be partly suppressed on the receipt;
27 however, rules will vary by region.

28 The expiration date should not appear at all on the cardholder copy of the

transaction receipt. Existing point-of-sale terminals must comply with these requirements. To ensure that your point-of-sale terminals are properly set up for account number and expiration date suppression, contact your acquirer. Visa, Card Acceptance Guidelines for Merchants (2014), at 12, <https://usa.visa.com/dam/VCOM/download/merchants/VBS-06-APR-14-card-acceptance-guide-for-merchants.pdf> (last visited October 20, 2015).

35. Because Defendants accept credit and debit cards in addition to complying with FACTA, they are also on notice and subject to the contractual obligations to comply with the agreements with the card companies that require the truncation of customers' credit and debit card numbers on electronically printed receipts as well.

The Operation of The Toll Roads

36. The Toll Roads of Orange County, which include The San Joaquin Hills (SR 73), Foothill (SR 241), and Eastern (SRs 241/261/133) Toll Roads, were constructed as part of JPA creating the F/ETCA and SJHTCA, or jointly the TCA. The F/ETCA JPA members include the County of Orange and the cities of Anaheim, Dana Point, Irvine, Lake Forest, Mission Viejo, Orange, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Tustin, and Yorba Linda. The SJHTCA JPA members include the County of Orange and the cities of Aliso Viejo, Costa Mesa, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Laguna Woods, Mission Viejo, Newport Beach, San Clemente, San Juan Capistrano, and Santa Ana.

37. The Toll Roads service 51 miles in Orange County, California. According to The Toll Roads' website, an estimated quarter of a million people from all over Southern California drive TCA's toll roads each day. *See* The Toll Roads, The Toll Roads Overview, <https://www.thetollroads.com/customerservice/learn-more.php> (last visited October 20, 2015).

38. TCA outsourced to 3M The Toll Roads' administrative functions, including operation of its customer service system, toll processing, image-based transactions, and processing of vehicle plate images, and toll compliance services – violation processing and collections. 3M, formerly VESystems as it was acquired by 3M, provided violations processing and collection for TCA since 2001 and customer service since 2004. In July 2006, TCA combined those two separate contracts with 3M under contract K000164: Toll Enforcement and Customer Service Center Contract. In 2009, the TCA negotiated a three-year base period contract with 3M, with three one-year options, and with fiscal year 2015 as the last of the three one-year options. The standard scope of K000164 includes “management and operation of the call center, account maintenance, customer relations, transponder inventory, mail processing, reporting, **payment processing**, **toll enforcement processing**, and program management” (emphasis added). On May 8, 2014, the Board of Directors of F/ETCA and SJHTCA resolved to amend contract K000164 with 3M for fiscal year 2015 to provide \$4,494,140 for F/ETCA and \$2,213,536 for SJHTCA.¹

39. The Toll Enforcement and Customer Service Center Contract between TCA and 3M expired on June 30, 2015, and on June 11, 2015, the TCA Boards of Directors approved an interim contract for 18 months with a new contractor, BRiC-TPS LLC, starting July 1, 2015, to maintain and support 3M's Legacy CSC System

¹ See Exhibit A (5/8/14 F/ETCA Board of Directors Agenda, at 5 (Item 8), available at https://www.thetollroads.com/assets/objects/51/fba_br_050814.pdf (last visited October 20, 2015)); Exhibit B (5/8/14 SJHTCA Board of Directors Agenda, at 5 (Item 7), available at https://www.thetollroads.com/assets/objects/51/sba_br_050814.pdf (last visited October 20, 2015)); Exhibit C (5/8/14 Toll Enforcement and Customer Service Center Amendment, Report File No. 2014J-019 (as presented to F/ETCA and SJHTCA Board of Directors), available at https://www.thetollroads.com/assets/objects/51/sba_br_050814.pdf (last visited October 20, 2015)).

1 (“Legacy System”) until a replacement system could be procured and made
2 operational.²

3 40. The Legacy System, which operates 24 hours a day and 7 days a
4 week, allows the “agency to process transactions that are captured on the road;
5 assign those appropriately to customer accounts, one-time toll, or violations to
6 make sure that [TCA] collect all of the revenue.” Exhibit D (6/11/15 F/ETCA
7 Board of Directors Minutes, at 7). According to TCA staff, purchasing and
8 implementing a new replacement to 3M’s system will take approximately 18 to 24
9 months. *Id.* TCA staff stated to the SJHTCA and F/ETCA Board of Directors that
10 it found BRiC-TPS to possess the skills and the experience to do this work because
11 it was hiring the people who currently did the work for TCA under the 3M
12 contract, and it originally developed the system for TCA. *Id.*

13 41. Although 3M’s contract was about to expire on June 29, 2015, the
14 Special Joint Meeting of the Boards of Directors of F/ETCA and SJHTCA voted to
15 amend the existing License Agreement between the TCA and 3M for a period of
16 two years, with a possible two-year extension, to permit the TCA to use and
17 modify the software, including the Legacy System, subject of the License
18 Agreement for The Toll Roads. *See* Exhibit E (6/29/15 F/ETCA and SJHTCA
19 Special Joint Meeting of Board of Directors Minutes, at 3, *available at*
20 https://www.thetollroads.com/assets/objects/51/fba_br_070915.pdf (last visited
21 October 20, 2015)). Therefore, throughout its contract with the TCA, and based on
22 the recent amendment to it, 3M continues to provide the Legacy System software
23 relating to The Toll Roads’ enforcement and customer service as used for the
24 transaction of customers’ payments for tolls.

25
26 ² *See* Exhibit D (6/11/15 F/ETCA Board of Directors Minutes, at 6-8 (Item 13),
27 *available at* https://www.thetollroads.com/assets/objects/51/fba_br_070915.pdf
28 (last visited October 20, 2015)); 6/11/15 SJHTCA Board of Directors Minutes, at
5-6 (Item 11), https://www.thetollroads.com/assets/objects/51/sba_br_070915.pdf
(last visited October 20, 2015).

42. The TCA, as well as 3M and BRiC-TPS through The Toll Enforcement and Customer Service Center Contract, are persons that use software, machines or devices to process The Toll Roads' transactions of customers' payments of tolls with debit or credit cards subject to the requirements of FACTA.

43. The Toll Roads require drivers to pay tolls for use of the roads. Customers have the option of paying their tolls through several different methods, including the FasTrak® payment method, the three new ExpressAccount™ types, and the One-Time-Toll™ option. *See* The Toll Roads, How to Use The Toll Roads, <https://www.thetollroads.com/ontheroads/how-to.php> (last visited October 20, 2015).

44. Up until May 14, 2015, drivers, in addition to the other methods, could pay cash for tolls on The Toll Roads themselves, but now, instead, they may use the One-Time-Toll option. *See* The Toll Roads, High Tech Toll Collection for All Drivers Begins Wednesday (May 8, 2014), <https://www.thetollroads.com/newsroom/pressreleases/archive/201405/pr-20140508-high-tech-toll-collection-for-all-driv.php> (last visited October 20, 2015). This option requires that customers pay their toll with a credit or debit card online or at one of the two Service Centers within five days before or after their trip. *See* The Toll Roads, One-Time-Toll, Pay Tolls Online <https://www.thetollroads.com/violation/oneTimeToll.do?locale=en> (last visited October 20, 2015); The Toll Roads, Service Centers, <https://www.thetollroads.com/customerservice/service-centers.php> (last visited October 20, 2015); The Toll Roads, General Questions (Question 1), <https://www.thetollroads.com/ontheroads/commonquestions/general.php> (last visited October 21, 2015).

45. The Toll Roads also partners with cash payment centers at authorized merchants like grocery, convenience, and check cashing stores throughout Southern California to offer an alternative way to pay tolls with cash. However, the authorized merchants will collect the following separate convenience fees for each

1 transaction: Account Replenishment Fee = \$1.95; Violation Payment Fee = \$2.95;
 2 and Invoice Payment Fee = \$1.95. See The Toll Roads, Paying Cash,
 3 <https://www.thetollroads.com/ontheroads/paying-cash.php> (last visited October 20,
 4 2015). Therefore, drivers on The Toll Roads are encouraged to pay their tolls with
 5 credit or debit cards instead of paying cash.

6 46. For drivers who fail to pay the tolls incurred with FasTrak, an
 7 ExpressAccount, or One-Time-Toll methods, The Toll Roads send them a Notice
 8 of Toll Evasion to the address found on their vehicle's DMV registration. A
 9 violation penalty will be assessed in addition to the toll, which may be paid by
 10 sending payment to The Toll Roads, online with a credit or debit card, or at one of
 11 the Service Centers that only accept payment by credit and debit card. See The
 12 Toll Roads, Toll Violations FAQ (Question 4), [https://www.thetollroads.com/](https://www.thetollroads.com/ontheroads/commonquestions/toll-violations.php)
 13 [ontheroads/commonquestions/toll-violations.php](https://www.thetollroads.com/ontheroads/commonquestions/toll-violations.php) (last visited October 20, 2015).

14 47. When customers pay their tolls and violation penalties, The Toll
 15 Roads provide them with an electronically printed receipt documenting their
 16 payment.

17 **Defendants Violate FACTA**

18 48. On August 11, 2015, Plaintiff drove part of The Toll Roads and
 19 incurred a toll of \$1.94.

20 49. That same day, he drove to a Toll Roads Service Center and paid his
 21 One-Time-Toll, as he was directed to do, with his debit card because the Service
 22 Center would not accept a cash payment.

23 50. At the point of sale or the transaction at the Service Center, Plaintiff
 24 received an electronically printed receipt from The Toll Roads that detailed his
 25 payment and included the *first four and the last four digits* of his Visa debit card.
 26 See Exhibit F (redacted receipt).

27 51. On August 25, 2015, Plaintiff sent a letter to The Toll Roads and TCA
 28 notifying them of their violation of FACTA in providing his electronically printed

1 receipt for his toll payment, as identified by The Toll Roads on August 11, 2015,
 2 by disclosing more than the last five digits of his debit card number. The TCA has
 3 not responded to Plaintiff's letter.

4 52. Despite being on notice of FACTA's requirements (and before the
 5 passage of FACTA, California's same requirements) and of the similar
 6 requirements under the credit and debit card companies' agreements with
 7 merchants (including with Visa, which was the type of card Plaintiff used to pay
 8 his toll), Defendants willfully, knowingly, or recklessly ignored these requirements
 9 and printed more than the last five digits of customers' credit and debit card
 10 numbers on electronically printed receipts in violation of FACTA.

11 53. Because Defendants violated FACTA by disclosing more than the last
 12 five digits of Plaintiff's debit card number, Plaintiff is subject to an increased risk
 13 of identity theft and fraud.

14 54. Plaintiff, on behalf of himself and the Class, who also received a
 15 receipt disclosing more than the last five digits of their credit or debit card, were
 16 damaged as a result of Defendants' violation of FACTA.

17 **CLASS ALLEGATIONS**

18 55. Plaintiff brings this action on his own behalf and as a Class Action
 19 pursuant to Rule 23 of the Federal Rules of Civil Procedure. Plaintiff seeks
 20 certification of the following Class:

21 All persons in the United States who received an electronically printed
 22 receipt from The Toll Roads disclosing more than the last five digits
 23 of their credit or debit card from and after October 21, 2010 (the
 24 "Class Period").

25 56. Plaintiff and the members of the Class are so numerous that joinder of
 26 all members individually, in one action or otherwise, is impractical, based on the
 27 number of drivers who have received receipts for payment of their tolls on The
 28 Toll Roads.

1 57. This action involves questions of law and fact common to Plaintiff
2 and all members of the Class, which include the following:

3 (a) Whether Defendants violated the FCRA, also known as
4 FACTA, 15 U.S.C. Section 1681 *et seq.*;

5 (b) Whether Defendants' conduct was willful, knowing, or
6 reckless; and

7 (c) Whether Plaintiff and Class Members sustained damages
8 resulting from Defendants' conduct and, if so, the proper measure of damages,
9 statutory, punitive, restitution, equitable, or other relief, and the amount and nature
10 of such relief.

11 58. Plaintiff understands and is willing to undertake the responsibilities of
12 acting in a representative capacity on behalf of the proposed Class. Plaintiff will
13 fairly and adequately protect the interests of the Class and has no interests adverse
14 to, or which directly conflict with, the interests of the other members of the Class.

15 59. Plaintiff has engaged the services of counsel, who are experienced in
16 complex class litigation, who will adequately prosecute this action, and who will
17 assert and protect the rights of and otherwise represent Plaintiff and the absent
18 Class Members.

19 60. Plaintiff's claims are typical of those of the absent Class Members
20 because Plaintiff and the Class Members each sustained damages arising from
21 Defendants' wrongful conduct, as alleged more fully herein.

22 61. This action is brought under Rule 23 because Defendants have acted
23 on grounds generally applicable to all members of the Class and/or because
24 questions of law or fact common to Class Members predominate over any
25 questions affecting only individual members.

26 62. Judicial determination of the common legal and factual issues
27 essential to this case would be far more efficient and economical as a class action
28 than as piecemeal individual determinations.

63. Plaintiff knows of no difficulty that will be encountered in the management of this litigation that would preclude maintenance as a class action.

COUNT I

Violation of Fair and Accurate Credit Transaction Act 15 U.S.C § 1681 et seq.

64. Plaintiff incorporates the above allegations by reference as though fully set forth herein.

65. Plaintiff brings this claim individually and on behalf of the Class.

66. Defendants created and operate The Toll Roads, which accept payment of tolls by its customers through credit and debit cards.

67. Defendants are persons that use software, machines, or devices to process The Toll Roads' transactions of customers' payments of tolls incurred with debit or credit cards, subject to the requirements of FACTA.

68. At the point of sales or transactions, The Toll Roads' customers receive an electronically printed receipt through Defendants' software, devices, and machines for payment of their tolls.

69. Throughout the Class Period, after December 4, 2006 – the deadline for compliance with FACTA – Defendants willfully, knowingly, or recklessly violated FACTA by improperly printing more than the last five digits of customers' credit and debit card numbers on their electronically printed receipts for customers' payments of tolls to The Toll Roads through the use of Defendants' software, devices, and machines.

70. Defendants knew, should have known, and/or were reckless in not knowing about the requirement to truncate customers' credit and debit card numbers to only the last five digits on electronically printed receipts pursuant to FACTA.

71. Defendants also accept various credit and debit cards, and therefore are subject to their contractual obligations with those credit and debit card companies that impose requirements that are the same as, or stricter than, FACTA

1 regarding the truncation of credit and debit card numbers on electronically printed
2 receipts.

3 72. The failure to truncate customers' credit and debit card numbers
4 subjected Plaintiff and the Class to an increased risk of identity theft and fraud.

5 73. Defendants are liable under FACTA to Plaintiff and the Class for
6 statutory damages of "not less than \$100 and not more than \$1,000," punitive
7 damages, and attorneys' fees and costs.

8 74. Plaintiff and Class Members also seek other relief permissible under
9 FACTA and injunctive relief to enjoin Defendants from continuing to violate
10 FACTA.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff, on behalf of himself and all others similarly
13 situated, pray for judgment against Defendant as follows:

14 A. An order certifying this case as a class action and appointing Plaintiff
15 and his counsel to represent the Class Members;

16 B. An order declaring that the acts and practices of Defendants constitute
17 violations of the FCRA, also known as FACTA, 15 U.S.C. § 1681 *et seq.*

18 C. For statutory damages of not less than \$100 and not more than \$1000
19 per a violation, and punitive damages, pursuant to FACTA in an amount to be
20 determined at trial, including interest;

21 D. A permanent injunction enjoining Defendants from continuing to
22 harm Plaintiff and Class Members, and violating federal law under FACTA;

23 E. An order requiring Defendants to adopt and enforce a policy that
24 requires removal of more than the last five digits of customers' credit or debit
25 cards from information they retain or distribute, which complies with federal law;

26 F. Reasonable attorneys' fees and the costs of the suit; and

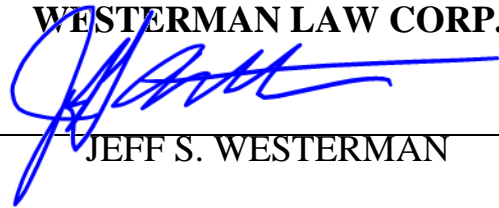
27 G. Such other relief as this Court may deem just and proper.
28

1
2 **DEMAND FOR JURY TRIAL**

3 Plaintiff hereby demands trial of his claims by jury to the extent authorized
4 by law.

5
6 DATED: October 21, 2015

WESTERMAN LAW CORP.

7 
8 _____
9 JEFF S. WESTERMAN

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27 **ANDERSEN SLEATER LLC**
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Attorneys for Plaintiff

EXHIBIT A

**FOOTHILL/EASTERN TRANSPORTATION CORRIDOR AGENCY
BOARD OF DIRECTORS
AGENDA**

May 8, 2014

9:30 a.m.

(Immediately following the San Joaquin Hills Board Meeting)

TCA Offices

125 Pacifica, Irvine, CA 92618

AGENDA DESCRIPTIONS

The agenda descriptions are intended to give notice to members of the public a general summary of items of business to be transacted or discussed. The listed action represents staff's recommendation. The Board of Directors may take any action it deems to be appropriate on the agenda item, and is not limited in any way by the recommended action. In compliance with the Americans with Disabilities Act, if you require special accommodation for this meeting, you should notify the Clerk of the Board 24 hours prior to the meeting at (949) 754-3492. The agenda is posted at the TCA office and is also available on the website at www.thetollroads.com. Materials distributed to the majority of the members of the TCA Board of Directors in connection with any matter subject to consideration at this meeting in open session are available for public inspection at the TCA offices.

I. CALL TO ORDER

INVOCATION

(Director Eastman)

PLEDGE OF ALLEGIANCE

(Chairwoman Bartlett)

ROLL CALL

Chairwoman Lisa Bartlett
Vice-Chairwoman Pat Bates
Director Sam Allevato
Director Bob Baker
Director Tony Beall
Director Gail Eastman
Director Michele Martinez
Director Mark Murphy
Director Shawn Nelson
Director Charles Puckett
Director Rhonda Reardon
Director Christina Shea
Director Todd Spitzer
Director Scott Voigts
Director Craig Young
Ryan Chamberlain

City of Dana Point
County of Orange, 5th District
City of San Juan Capistrano
City of San Clemente
City of Rancho Santa Margarita
City of Anaheim
City of Santa Ana
City of Orange
County of Orange, 4th District
City of Tustin
City of Mission Viejo
City of Irvine
County of Orange, 3rd District
City of Lake Forest
City of Yorba Linda
Caltrans, Ex-Officio Member

II. PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per person and twenty (20) minutes for all comments unless the Chairman, subject to the approval of the Board, sets different time limits.

III. CONSENT CALENDAR (Items 1-6)1. MINUTES OF THE SPECIAL JOINT BOARD MEETING OF APRIL 10, 2014

(Kathleen Loch, Clerk of the Board)

REPORT NO. 2 (2014F-001)

ACTION: Approve Minutes.

MINUTES OF THE FOOTHILL/EASTERN BOARD OF DIRECTORS MEETING –APRIL 10, 2014

(Kathleen Loch, Clerk of the Board)

REPORT NO. 2A (2014F-001)

ACTION: Approve Minutes.

2. FOOTHILL/EASTERN INVESTMENT REPORT

(Diane Farson, Manager, Treasury)

REPORT NO. 6 (2014F-003)

Enclosed are the monthly investment reports for the Foothill/Eastern Transportation Corridor Agency (F/ETCA) as of March 31, 2014. As of March 31, 2014, all indenture funds are invested in accordance with the permitted investment section of the respective indentures and all non-indenture funds are invested in compliance with both the California Government Code and F/ETCA Investment Policy.

ACTION: Receive and file.

3. CALTRANS COOPERATIVE AGREEMENT FOR THE SR 241/91 EXPRESS LANES CONNECTOR PROJECT - PROJECT APPROVAL & ENVIRONMENTAL DOCUMENT PHASE

(Juliet Su, Corridor Manager - Design)

REPORT NO. 7 (2014F-016)

Authorizing the Cooperative Agreement, District Agreement No. 12-643, to be executed will allow the TCA to continue developing the SR 241/91 Express Lanes Connector Project PA&ED phase with Caltrans providing independent quality assurance review as the design oversight agency and acting in the capacity of lead agency for the environmental document. The cooperative agreement sets forth the responsibilities of each agency, defines the funding obligations of each agency, and explains how the TCA and Caltrans will cooperate together through the PA&ED phase of the project.

ACTION: Authorize the chief executive officer to execute the Cooperative Agreement for the SR241/91 Express Lanes Connector Project Approval & Environmental Document (PA&ED) phase, District Agreement No. 12-643.

4. THIRD QUARTER FISCAL YEAR 2014 BUDGET STATUS REPORT
(Maria Fazio, Manager, Budget & Planning)

REPORT NO. 9 (2014F-015)

Through the end of the third quarter of Fiscal Year 2014, the Foothill/Eastern Transportation Corridor Agency received a total of \$127.2 million in revenue or 82.6% of the annual amended budget. Net Toll Revenue, Fees and Penalties, Development Impact Fees, Interest Earnings, and Other Revenue were above target at 76.7%, 84.7%, 141.8%, 82.0%, and 82.3%, respectively. Grants were under budget at 19.4%.

Total uses were at \$101.5 million or 50.3% of the annual amended budget through the end of the third quarter. Administration, Planning, Environmental and Construction, and Toll Operations are below the annual amended budget at 50.0%, 20.8% and 70.4%, respectively. Debt was at an expected 55.0%.

ACTION: Receive and file.

5. EXTENSION OF THE DEPARTMENT OF CALIFORNIA HIGHWAY PATROL (CHP) CONTRACTS
(Joyce Hill, Deputy Director, Customer Service)

REPORT NO. 16 (2014J-018)

Staff recommends continuing to contract with the State of California for use of CHP officers for toll violation enforcement through June 30, 2015. The purpose for CHP enforcement under these contracts is toll violation deterrence. CHP officers pursue motorists with no-plates or obscured plates who purposely avoid toll payment. In addition, the officers are given a weekly "hot-list" which provides detailed information regarding specific repeat violators. This program is successful in controlling the growth-rate of no-plate and obscured violation occurrences. Staff is recommending an extension of the contracts with the CHP for one year of service at a cost of \$335,664 for F/ETCA and \$197,136 for SJHTCA.

ACTION:

1. Authorize the acting chief executive officer (CEO) to execute an amendment to the CHP Contracts K000030 and K000029 for Toll Violation Enforcement extending the term through June 30, 2015.
2. Approve additional funding for Fiscal Year 2015 (FY15), in the amount of \$231,608 for CHP Contract K000030, covering on-road toll violation enforcement support through the Santa Ana CHP office; and, \$104,056 for support through the San Juan Capistrano office under CHP Contract K000029.
3. Authorize the acting CEO to execute additional changes to the contracts within five percent (\$16,783) of the contract values without further Board of Director's action.

6. WATER AND WASTEWATER SERVICES CONTRACT – JIMNI SYSTEMS, INC.

(Kurt Machtolf, Facilities Manager)

REPORT NO. 17

(2014J-015)

JIMNI Systems Inc. provides annual water and wastewater maintenance and repair services for The Toll Roads' privately owned wastewater, potable water and reservoir systems. This service contract was re-bid in June of 2011 and JIMNI Systems was awarded a one-year contract with two one-year options. To retain Jimni System's expertise, experience and scalable contract pricing during the Tomato Springs reservoir decommissioning and All Electronic Tolling (AET) projects, staff recommends approval of an additional third and final one-year contract extension. The contract unit pricing will match the 2013 CPI increase of 1.1 percent.

- ACTION:
1. Authorize the acting chief executive officer (CEO) to execute a third and final one-year contract extension to JIMNI Systems, Inc., extending the term through June 30, 2015.
 2. Approve additional funding for Fiscal Year 2015 (FY15), in the amount of \$258,000 for JIMNI Contract K000664.
 3. Authorize the acting CEO to execute additional changes to this contract within ten percent of the authorized expenditure without further Board action.

IV. BOARD BUSINESS (ITEM 7-12)7. CONTRACTS AND PROCUREMENT SYSTEM POLICY AND PROCEDURES MANUAL (CAPS MANUAL) PROPOSED REVISIONS

(Eileen Harrigan, Manager, Contracts & Procurement)

REPORT NO. 12

(2014J-017)

Staff, with direction from the Joint Procurement Ad Hoc Committee, is recommending certain modifications to the CAPS Manual. In February 2014 a Joint Procurement Ad Hoc Committee was formed to review the agencies' procurement policies and procedures. It was determined adequate controls exist; however, changes could be made to improve accountability and visibility and ensure the Board Members are fully aware of ongoing activity. Recommended changes include (1) modification of the authority granted to the CEO to restrict non-competitively procured agreements with an individual vendor, to a cumulative maximum of \$25,000 per agency, per fiscal year, and (2) replacement of the current Quarterly Report of Routine Business Expense Contracts with a Quarterly Report of Procurement Activity. These changes will enhance controls and transparency while reinforcing the agencies' core policy of seeking a maximum of competition in contracting activities, where possible, consistent with timely completion of the agencies' programs and ensuring accountability to the public and bondholders. The attached presentation provides a recap of the Ad Hoc Committee discussions and decisions. Specific modifications to the CAPS Manual will be presented to the Boards of Directors for action at a future meeting.

- ACTION: Receive and file.

8. TOLL ENFORCEMENT AND CUSTOMER SERVICE CENTER CONTRACT AMENDMENT

(James T. Gallagher, Chief Toll Operations Officer)

REPORT NO. 14

(2014J-019)

In order to continue providing quality customer service and violation processing and collections, staff recommends approval of the scope and funding for FY15. The fixed price annual contract value is \$4,494,140 for Foothill/Eastern Transportation Corridor Agency and \$2,213,536 for San Joaquin Hills Transportation Corridor Agency. The contract provides for a 30-day cancellation period, thus this action is needed now to comply with the contract in the event of cancellation. A staff initiative in FY15 is to reprocur this service for the following fiscal year.

ACTION: Authorize the acting chief executive officer (CEO), subject to approval of the Fiscal Year 2015 (FY15) budget, to execute Amendment No. 24 to Contract No. K000164 to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$4,494,140.

9. ADMINISTRATIVE ADJUSTMENT BUDGET AMENDMENT THAT RESULTED FROM EXECUTION OF REFINANCING TRANSACTION

(Amy Potter, Chief Financial Officer)

REPORT NO. 15

(2014F-014)

The refinance transaction was approved by the Board on October 10, 2013 to be executed within certain parameters. The bonds were sold on December 12, 2013 and the transaction closed on January 2, 2014. The transaction was executed within all of the Board approved parameters and resulted in a reduction in debt service of approximately \$1 billion between 2015 and 2040. Due to the agency's accrual basis budget requirements, a FY14 budget amendment is necessary in the amount of \$21,331,366. This amendment is necessary for budgetary purposes but will not require an outlay of additional funds due to the freeing up of cash that would have been used to advance fund principal in FY14 for FY15 if the 1999 bonds had not been refinanced. In addition, as a result of the refinance transaction, \$15,659,764 of escrow defeasance that had been budgeted in FY14 in order to meet the debt service coverage covenant will not be needed.

ACTION: Approve Resolution No. F2014-002 amending the Foothill/Eastern Transportation Corridor Agency Fiscal Year 2014 (FY14) Budget in the amount of \$21,331,366. This action serves as an administrative adjustment to the budget as a result of execution of the refinance transaction approved by the Board on October 10, 2013.

10. TCA FASTRAK® LOYALTY PROGRAM FEASIBILITY STUDY

(Lisa Telles, Chief Communications Officer)

REPORT NO. 18

(2014J-009)

Staff is recommending the approval of a contract with Truth in Loyalty to conduct a feasibility study for implementation of a loyalty program for TCA FasTrak account holders that will add value and increase toll road usage.

ACTION: Authorize the Acting CEO to sign a contract with Truth in Loyalty to conduct a FasTrak loyalty/affinity program for TCA FasTrak account holders for a not to exceed amount of \$52,260 (Phase I).

11. FISCAL YEAR 2015 CAPITAL IMPROVEMENT PLAN

(David Lowe, Acting Chief Engineer)

REPORT NO. 13

(2014J-016)

This annual update to the CIP for each agency outlines the currently proposed near-term capital projects and those recommended to be implemented in the mid-term and long-term basis. Funding levels for the FY15 budget are proposed and recommended by staff.

- ACTION:
1. Approve the Capital Improvement Plan (CIP) for the Foothill/Eastern (SR 133, 241, 261) Corridors;
 2. Direct staff to implement the Foothill/Eastern CIP as included in the proposed Fiscal Year 2015 (FY15) budget in the amount of \$17.43 million.

12. CONTINUATION OF ACTING CEO

(Lisa Bartlett, Foothill/Eastern Transportation Corridor Agency Chairwoman)

REPORT NO. 19

(2014J-027)

Michael Kraman was appointed Acting CEO on February 27, 2014. The chairs of the Boards of Directors are recommending that Mr. Kraman continue in that role through December 31, 2014 and that the Boards of Directors revisit and discuss the future of the CEO position at the December 2014 Boards of Directors meetings.

- ACTION:
- Approve the continued appointment of Mike Kraman as Acting CEO through December 31, 2014.

CHIEF EXECUTIVE OFFICER'S REPORT

(Michael Kraman, Acting Chief Executive Officer)

- Traffic & Revenue Report
(James Gallagher, Chief Toll Operations Officer)
- All Electronic Tolling Update
(James Gallagher, Chief Toll Operations Officer)

DIRECTORS' REPORTS AND NEW BUSINESS

(Lisa Bartlett, Chairwoman)

- Announcement of Leadership Elections – June Board Meeting
- Ad Hoc Committees – Monthly Reports

V. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Government Code Section 54956.9)

- California State Parks Foundation, et al. v. Foothill/Eastern Transportation Corridor Agency San Diego Superior Court, Case No. GIN051194
- The People of the State of California v. Foothill/Eastern Transportation Corridor Agency San Diego Superior Court, Case No. GIN051371
- Native American Heritage Commission v. Foothill/Eastern Transportation Corridor Agency San Diego Superior Court, Case No. GIN051370
- Jeffrey A Turner v. Native American Heritage Commission San Diego Superior Court, Case No. 37-2008-00060583-CU-WM-NC
- California State Parks Foundation, et al. v. Foothill/Eastern Transportation Corridor Agency San Diego Superior Court, Case No. 37-2013-00049797
- The People of the State of California v. Foothill/Eastern Transportation Corridor Agency San Diego Superior Court, Case No. 37-2013-00050001-CU-WM-NC
- California Regional Water Quality Control Board, San Diego Region, Waste Discharge Requirements Tentative Order No. R-09-2103-0007

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

- Initiation of litigation pursuant to subdivision (c) of Gov. Code Section 54956.95
(One potential case)
- Significant exposure to litigation pursuant to subdivision (b) of Gov. Code Section 54956.9
(One potential case)
- Initiation of litigation pursuant to subdivision (c) of Gov. Code Section 54956.9
(One potential case)

VI. FOOTHILL/EASTERN ADJOURNMENT

The next regularly scheduled meeting of the Foothill/Eastern Board of Directors is June 12, 2014, at 9:30 a.m., TCA Offices, 125 Pacifica, Irvine, CA 92618.

EXHIBIT B

**SAN JOAQUIN HILLS TRANSPORTATION CORRIDOR AGENCY
BOARD OF DIRECTORS**

AGENDA

**May 8, 2014
9:30 a.m.**

**TCA Offices
125 Pacifica, Irvine, CA 92618**

AGENDA DESCRIPTIONS

The agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed. The listed action represents staff's recommendation. The Board of Directors may take any action it deems to be appropriate on the agenda item, and is not limited in any way by the recommended action. In compliance with the Americans with Disabilities Act, if you require special accommodation for this meeting you should notify the Clerk of the Board 24 hours prior to the meeting at (949) 754-3492. The agenda is posted at the TCA office and is also available on the website at www.thetollroads.com. Materials distributed to the majority of the members of the TCA Board of Directors in connection with any matter subject to consideration at this meeting in open session are available for public inspection at the TCA offices.

I. CALL TO ORDER

INVOCATION

(Director Monahan)

PLEDGE OF ALLEGIANCE

(Chairman Hill)

ROLL CALL

Chairman Rush Hill	City of Newport Beach
Vice-Chairman Scott Schoeffel	City of Dana Point
Director Sam Allevato	City of San Juan Capistrano
Director Pat Bates	County of Orange, 5 th District
Director Melody Carruth	City of Laguna Hills
Director Ross Chun	City of Aliso Viejo
Director Jim Evert	City of San Clemente
Director Bert Hack	City of Laguna Woods
Director Michele Martinez	City of Santa Ana
Director Robert Ming	City of Laguna Niguel
Director Gary Monahan	City of Costa Mesa
Director Rhonda Reardon	City of Mission Viejo
Director Christina Shea	City of Irvine
Director Todd Spitzer	County of Orange, 3 rd District
Ryan Chamberlain	Caltrans, Ex-Officio Member

II. PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per person and twenty (20) minutes for all comments unless the Chairman, subject to the approval of the Board, sets different time limits.

III. CONSENT CALENDAR (Items 1 - 5)

All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no discussion of these items unless Board Members request specific items be removed from the Consent Calendar for separate action.

1. **MINUTES OF THE SPECIAL BOARD MEETING–APRIL 10, 2014**

(Kathleen Loch, Clerk of the Board)

REPORT NO. 1

(2014S-001)

ACTION: Approve Minutes.

**MINUTES OF THE BOARD OF SAN JOAQUIN HILLS BOARD OF
DIRECTORS MEETING – APRIL 10, 2014**

REPORT NO. 1A

(2014S-001)

ACTION: Approve minutes.

2. **SAN JOAQUIN HILLS INVESTMENT REPORT**

(Diane Farson, Manager, Treasury)

REPORT NO. 5

(2014S-003)

Enclosed are the monthly investment reports for the San Joaquin Hills Transportation Corridor Agency (SJHTCA) as of March 31, 2014. As of March 31, 2014, all indenture funds are invested in accordance with the permitted investment section of the respective indentures and all non-indenture funds are invested in compliance with both the California Government Code and SJHTCA Investment Policy.

ACTION: Receive and file.

3. THIRD QUARTER FISCAL YEAR 2014 BUDGET STATUS REPORT

(Maria Fazio, Manager, Budget and Planning)

REPORT NO. 10

(2014S-006)

Through the end of the third quarter of Fiscal Year 2014, the San Joaquin Hills Transportation Corridor Agency received a total of \$100.1 million in revenue or 82.2% of the annual amended budget. Net Toll Revenue, Fees and Penalties, and Interest Earnings were above target at 81.9%, 93.1%, and 105.0%, respectively. Development Impact Fees were below budget at 51.0%.

Total uses were \$91.2 million or 80.8% of the annual amended budget through the end of the third quarter. Administration, Planning, Environmental and Construction, and Toll Operations were below the annual amended budget at 65.2%, 34.6% and 68.8%, respectively. Debt was at an expected 84.7%.

ACTION: Receive and file.

4. EXTENSION OF THE DEPARTMENT OF CALIFORNIA HIGHWAY PATROL (CHP) CONTRACTS

(Joyce Hill, Deputy Director, Customer Service)

REPORT NO. 16

(2014J-018)

Staff recommends continuing to contract with the State of California for use of CHP officers for toll violation enforcement through June 30, 2015. The purpose for CHP enforcement under these contracts is toll violation deterrence. CHP officers pursue motorists with no-plates or obscured plates who purposely avoid toll payment. In addition, the officers are given a weekly "hot-list" which provides detailed information regarding specific repeat violators. This program is successful in controlling the growth-rate of no-plate and obscured violation occurrences. Staff is recommending an extension of the contracts with the CHP for one year of service at a cost of \$335,664 for F/ETCA and \$197,136 for SJHTCA.

ACTION:

1. Authorize the acting chief executive officer (CEO) to execute an amendment to the CHP Contracts K000053 and K000052 for Toll Violation Enforcement extending the term through June 30, 2015.
2. Approve additional funding for FY15, in the amount of \$128,138 for CHP Contract K000053, covering on-road toll violation enforcement support through the Santa Ana CHP office; and, \$68,998 for support through the San Juan Capistrano office under CHP Contract K000052.
3. Authorize the acting CEO to execute additional changes to the contracts within five percent (\$9,857) of the contract values without further Board of Director's action.

5. WATER AND WASTEWATER SERVICES CONTRACT – JIMNI SYSTEMS, INC.

(Kurt Machtolf, Facilities Manager)

REPORT NO. 17

(2014J-018)

JIMNI Systems Inc. provides annual water and wastewater maintenance and repair services for The Toll Roads' privately owned wastewater, potable water and reservoir systems. This service contract was re-bid in June of 2011 and JIMNI Systems was awarded a one-year contract with two one-year options. To retain Jimni System's expertise, experience and scalable contract pricing during the Tomato Springs reservoir decommissioning and All Electronic Tolling (AET) projects, staff recommends approval of an additional third and final one-year contract extension. The contract unit pricing will match the 2013 CPI increase of 1.1 percent.

- ACTION:
1. Authorize the acting chief executive officer (CEO) to execute a third and final one-year contract extension to JIMNI Systems, Inc., extending the term through June 30, 2015.
 2. Approve additional funding for Fiscal Year 2015 (FY15), in the amount of \$70,000 for JIMNI Contract K000664.
 3. Authorize the acting CEO to execute additional changes to this contract within ten percent of the authorized expenditure without further Board action.

IV. BOARD BUSINESS (ITEM 6-10)

6. CONTRACTS AND PROCUREMENT SYSTEM POLICY AND PROCEDURES MANUAL (CAPS MANUAL) PROPOSED REVISIONS

(Eileen Harrigan, Manager, Contracts & Procurement)

REPORT NO. 12

(2014J-017)

Staff, with direction from the Joint Procurement Ad Hoc Committee, is recommending certain modifications to the CAPS Manual. In February 2014 a Joint Procurement Ad Hoc Committee was formed to review the agencies' procurement policies and procedures. It was determined adequate controls exist; however, changes could be made to improve accountability and visibility and ensure the Board Members are fully aware of ongoing activity. Recommended changes include (1) modification of the authority granted to the CEO to restrict non-competitively procured agreements with an individual vendor, to a cumulative maximum of \$25,000 per agency, per fiscal year, and (2) replacement of the current Quarterly Report of Routine Business Expense Contracts with a Quarterly Report of Procurement Activity. These changes will enhance controls and transparency while reinforcing the agencies' core policy of seeking a maximum of competition in contracting activities, where possible, consistent with timely completion of the agencies' programs and ensuring accountability to the public and bondholders. The attached presentation provides a recap of the Ad Hoc Committee discussions and decisions. Specific modifications to the CAPS Manual will be presented to the Boards of Directors for action at a future meeting.

- ACTION: Receive and file.

7. TOLL ENFORCEMENT AND CUSTOMER SERVICE CENTER CONTRACT AMENDMENT

(James T. Gallagher, Chief Toll Operations Officer)

REPORT NO. 14 (2014J-019)

In order to continue providing quality customer service and violation processing and collections, staff recommends approval of the scope and funding for FY15. The fixed price annual contract value is \$4,494,140 for Foothill/Eastern Transportation Corridor Agency and \$2,213,536 for San Joaquin Hills Transportation Corridor Agency. The contract provides for a 30-day cancellation period, thus this action is needed now to comply with the contract in the event of cancellation. A staff initiative in FY15 is to reprocur this service for the following fiscal year.

ACTION: Authorize the acting chief executive officer (CEO), subject to approval of the FY15 budget, to execute Amendment No. 24 to Contract No. K000164, to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$2,213,536.

8. TCA FASTRAK® LOYALTY PROGRAM FEASIBILITY STUDY

(Lisa Telles, Chief Communications Officer)

REPORT NO. 18 (2014J-009)

Staff is recommending the approval of a contract with Truth in Loyalty to conduct a feasibility study for implementation of a loyalty program for TCA FasTrak account holders that will add value and increase toll road usage.

ACTION: Authorize the Acting CEO to sign a contract with Truth in Loyalty to conduct a FasTrak loyalty/affinity program for TCA FasTrak account holders for a not to exceed amount of \$25,740 (Phase I).

9. FISCAL YEAR 2015 CAPITAL IMPROVEMENT PLAN

(David Lowe, Acting Chief Engineer)

REPORT NO. 13 (2014J-016)

This annual update to the CIP for each agency outlines the currently proposed near-term capital projects and those recommended to be implemented in the mid-term and long-term basis. Funding levels for the FY15 budget are proposed and recommended by staff.

ACTION: 1. Approve the Capital Improvement Plan (CIP) for the San Joaquin Hills (SR 73) Corridor;
2. Direct staff to implement the San Joaquin Hills CIP as included in the proposed Fiscal Year 2015 (FY15) budget in the amount of \$0.71 million.

10. CONTINUATION OF ACTING CEO

(Rush Hill, San Joaquin Hills Transportation Corridor Agency Chairman)

REPORT NO. 19 (2014J-027)

Michael Kraman was appointed Acting CEO on February 27, 2014. The chairs of the Boards of Directors are recommending that Mr. Kraman continue in that role through December 31, 2014 and that the Boards of Directors revisit and discuss the future of the CEO position at the December 2014 Boards of Directors meetings.

ACTION: Approve the continued appointment of Mike Kraman as Acting CEO through December 31, 2014.

CHIEF EXECUTIVE OFFICER'S REPORT

(Michael Kraman, Acting Chief Executive Officer)

- Monthly Traffic & Revenue Report
(James Gallagher, Chief Toll Operations Officer)

DIRECTORS' REPORTS AND NEW BUSINESS

(Rush Hill, Chairman)

- Announcement of Leadership Elections – June Board Meeting
- Ad Hoc Committees – Monthly Reports

V. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Gov. Code Section 54956.9
(One potential case)

VI. ADJOURNMENT

The next regular meeting of the San Joaquin Hills Board of Directors will be held on June 12, 2014, at 9:30 a.m., TCA Offices, 125 Pacifica, Irvine, CA 92618.

EXHIBIT C

_____ TECHNICAL ADVISORY COMMITTEE
 _____ SAN JOAQUIN HILLS OPERATIONS COMMITTEE
 _____ FOOTHILL/EASTERN OPERATIONS COMMITTEE
 _____ JOINT ADMINISTRATION COMMITTEE
 _____ LEGAL & LEGISLATIVE COMMITTEE
 X SAN JOAQUIN HILLS BOARD OF DIRECTORS
 X FOOTHILL/EASTERN BOARD OF DIRECTORS

Report No. 14
 File No. 2014J-019

BOARD MEETING DATE: May 8, 2014

SUBJECT: Toll Enforcement and Customer Service Center Contract Amendment

STAFF RECOMMENDATION:

Foothill/Eastern Transportation Corridor Agency Recommendation:

Authorize the acting chief executive officer (CEO), subject to approval of the Fiscal Year 2015 (FY15) budget, to execute Amendment No. 24 to Contract No. K000164 to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$4,494,140.

San Joaquin Hills Transportation Corridor Agency Recommendation:

Authorize the acting chief executive officer (CEO), subject to approval of the FY15 budget, to execute Amendment No. 24 to Contract No. K000164, to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$2,213,536.

SUMMARY

In order to continue providing quality customer service and violation processing and collections, staff recommends approval of the scope and funding for FY15. The fixed price annual contract value is \$4,494,140 for Foothill/Eastern Transportation Corridor Agency and \$2,213,536 for San Joaquin Hills Transportation Corridor Agency. The contract provides for a 30-day cancellation period, thus this action is needed now to comply with the contract in the event of cancellation. A staff initiative in FY15 is to reprocure this service for the following fiscal year.

CONTRACTOR/CONSULTANT: 3M Company

COST: F/E = \$4,494,140
 SJH = \$2,213,536

REPORT WRITTEN BY: James T. Gallagher
 Chief Toll Operations Officer

REVIEWED BY:

Engineering/Environmental
 Communications & Public Affairs
 Finance
 Toll Operations

TL
 UT
 AP
 JTG



125 Pacifica, Irvine, CA 92618 949/754-3400 FAX 949/754-3467

DATE: May 8, 2014

TO: Foothill/Eastern Transportation Corridor Agency Board of Directors
San Joaquin Hills Transportation Corridor Agency Board of Directors

FROM: James T. Gallagher, Chief Toll Operations Officer

SUBJECT: Toll Enforcement and Customer Service Center Contract Amendment

STAFF RECOMMENDATION:

Foothill/Eastern Transportation Corridor Agency Recommendation:

Authorize the acting chief executive officer (CEO), subject to approval of the Fiscal Year 2015 (FY15) budget, to execute Amendment No. 24 to Contract No. K000164 to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$4,494,140.

San Joaquin Hills Transportation Corridor Agency Recommendation:

Authorize the acting chief executive officer, subject to approval of the FY15 budget, to execute Amendment No. 24 to Contract No. K000164, to fund the 3M Company (3M) Toll Enforcement and Customer Service Center Contract for FY15 in the total amount of \$2,213,536.

BACKGROUND:

3M (formerly VESystems) has provided violations processing and collections for the agencies since 2001 and customer service since 2004. In July 2006, these two separate contracts were combined under one Toll Enforcement and Customer Service Center Contract. This contract was based on cost-plus pricing.

In February 2009, the Finance and Operations Committees of the Boards, based on the recommendation of the Joint Toll Operations Ad Hoc Committee, directed staff to negotiate with the three current major toll operations service providers. The objective was to reduce annual costs, negotiate new terms and conditions, on a fixed-price basis consistent with current traffic levels, while preserving an option to conduct a competitive procurement. If negotiations were

3M Amendment
May 8, 2014
Page 2

Report No. 2014J-019
File No. 14

unsuccessful, the agencies would issue a Request for Proposal (RFP). The staff successfully concluded an agreement for a three-year base period and three one-year options with annual increases governed by Consumer Price Index (CPI) at no more than three percent and not less than zero. The increase from Fiscal Year 2014 (FY14) consists of a 1.1 percent CPI adjustment. FY15 is the final of three one-year options. The contract provides for a 30-day cancellation period, thus this action is needed now to comply with the contract in the event of cancellation. A staff initiative in FY15 is to reprocur this service for the following fiscal year.

DISCUSSION:

3M's contract includes five components—Standard Scope, Patron Notices, Technical Maintenance, Technical Projects, and All Electronic Tolling (AET) Additional Staffing. Technical projects are subject to a not-to-exceed amount and a specific notice-to-proceed (NTP).

The Standard Scope includes management and operation of the call center, account maintenance, customer relations, transponder inventory, mail processing, reporting, payment processing, toll enforcement processing, and program management. Staffing to accomplish the standard scope is currently 68.75 Full Time Equivalents (FTEs) distributed as follows: call center, 37.0; transponder processing, 7.0; image processing, 7.75; resolutions, 12.0; and, payment processing, 5.0.

The Patron Notices component entails the preparation and distribution of approximately 70,000 monthly notices consistent with the agencies' guidelines. Examples include letters notifying customers of soon-to-expire credit cards, low FasTrak® account and ExpressAccount™ balances, suspended accounts, and frequent pay-by-plates. These notices do not include account statements and violation notices which are sent by our mail house through a separate contract. One FTE is dedicated to this effort.

The Technical Maintenance component includes a variety of information technology support services. Some of these services are preparation of reports, performance of special projects (e.g. pay-by-plate analysis), maintenance of system configuration control records, standard operating procedure documents and system documents. Five FTEs are dedicated to this function.

The Technical Projects component consists of all work and program management associated with performing technical projects identified each year by the agencies. Examples include support for customer service system enhancements, patron website enhancements, customer incentive programs, mobile app enhancements, and retail distribution programs. Staffing for these projects is on an as-needed basis. Each technical project is subject to an individual NTP. The following table lists each technical project and budgeted dollars for each agency.

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May 8, 2014
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Technical Projects

Description	F/E Budgeted Dollars	SJH Budgeted Dollars	Total Budgeted Dollars
Operational Data Push to Finance	47,451	23,371	70,822
Mobile App Enhancements	31,635	15,582	47,217
Password Reset Online Security Questions	21,090	10,388	31,478
Customer Incentives	15,817	7,791	23,608
Image Processing Integration w/Back-Office VTX System	16,477	8,115	24,592
One-Time-Toll Plate Validation	10,545	5,194	15,739
Website Enhancements – Patron Pages	26,363	12,985	39,348
Online One-Time-Toll Conversion to Account	21,090	10,388	31,478
System Enhancements	26,363	12,985	39,348
Additional Retail Transponder Distribution Program	47,451	23,371	70,822
Website Enhancements – Marketing “Look and Feel”	15,817	7,791	23,608
Automatic ExpressAccount Invoice Payment	5,273	2,597	7,870
Alternative Image Processing Performance Improvement	21,090	10,388	31,478
CPN Enhancement	10,545	5,194	15,739
Total:	317,007	156,140	473,147

The AET Additional Staffing includes 14.0 FTEs distributed as follows: call center, 8.0; image processing, 4.0; and payment processing, 2.0.

In addition to the above staffing levels, 4.0 FTEs provide project management.

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3M consistently provides quality customer service through their call center, customer relations, and transponder management efforts. Their resolutions team processes and collects violations in a reliable and professional manner. The entire 3M organization is a proven partner—maintaining high standards expected by the agencies. Authorizing funding for FY15 will provide for these services through June 2015.

The agencies will issue an RFP in 2014 for services to be provided in subsequent fiscal years.

FUNDING:

Funding for this amendment is included in the proposed FY15 budget.

CONCLUSION:

In order to continue providing quality customer service and violation processing and collections, staff recommends approval of the scope and funding for FY15. The fixed price annual contract value is \$4,494,140 for Foothill/Eastern Transportation Corridor Agency and \$2,213,536 for San Joaquin Hills Transportation Corridor Agency. The contract provides for a 30-day cancellation period, thus this action is needed now to comply with the contract in the event of cancellation. A staff initiative in FY15 is to reprocur this service for the following fiscal year.

Attachment



PROCUREMENT SUMMARY REPORT

Report No. 14
File No. 2014J-019

Contract #: K000164
Amendment #: 24
Title: Toll Enforcement and Customer Service Center

Contractor: 3M Company

Procurement Process

Type: Negotiated per Contract terms
Award Criteria: Contract Option
Price: FY15 NTE \$6,707,676

Notes: This amendment authorizes option year 3 for continued customer service and violation processing and collections. FY15 is the final year of three one-year options. The increase from FY14 includes a 1.1 percent CPI adjustment per the Contract terms.

Contract No. K000164 Compensation:

	F/ETCA	SJHTCA	TOTAL
Original NTE Amount	\$3,794,505.65	\$2,043,195.35	\$5,837,701.00
Previous Amendments	<u>\$25,356,144.07</u>	<u>\$12,982,607.77</u>	<u>\$38,338,751.84</u>
Current NTE Amount	<u>\$29,150,649.72</u>	<u>\$15,025,803.12</u>	<u>\$44,176,452.84</u>
Proposed Amendment No. 24	\$4,494,140.00	\$2,213,536.00	\$6,707,676.00
Revised NTE Amount	<u>\$33,644,789.72</u>	<u>\$17,239,339.12</u>	<u>\$50,884,128.84</u>

EXHIBIT D

TECHNICAL ADVISORY COMMITTEE
 SAN JOAQUIN HILLS OPS & FINANCE COMMITTEE
 FOOTHILL/EASTERN OPS & FINANCE COMMITTEE
 SAN JOAQUIN HILLS BOARD OF DIRECTORS
 X FOOTHILL/EASTERN BOARD OF DIRECTORS

File No. 2015F-001

NEXT BOARD MEETING DATE: July 9, 2015

SUBJECT: Minutes of the June 11, 2015 Meeting of the Boards of Directors

STAFF RECOMMENDATION:

Approve minutes.

REPORT WRITTEN BY: Kathleen Loch, Clerk of the Board
(949) 754-3492

REVIEWED BY: Engineering
Environmental
Communications
Finance
Toll Operations

DL
VW
L. Long
HP
DJ

SUBMITTED BY: 
Michael A. Kraman
Chief Executive Officer

**FOOTHILL/EASTERN TRANSPORTATION CORRIDOR AGENCY
BOARD OF DIRECTORS
MINUTES**

**June 11, 2015
11:00 a.m.
TCA Offices
125 Pacifica, Irvine, CA 92618**

I. CALL TO ORDER

The meeting was called to order at 11:03 a.m.

INVOCATION

(Director Puckett)

PLEDGE OF ALLEGIANCE

(Chairman Young)

ROLL CALL

Chairman Craig Young

Vice Chair Lisa Bartlett

Director Tony Beall

Director Kerry Ferguson

Director Lucille Kring

Director Mark Murphy

Director Charles Puckett

Director Greg Rath

Director Christina Shea

Director Todd Spitzer

Alternate John Tomlinson

Director Kathy Ward

Adnan Majah

City of Yorba Linda

County of Orange, 5th District

City of Rancho Santa Margarita

City of San Juan Capistrano

City of Anaheim

City of Orange (Arrived @ Item #13)

City of Tustin

City of Mission Viejo

City of Irvine

County of Orange, 3rd District (Arrived @ Item #13)

City of Dana Point

City of San Clemente

Caltrans, Ex-Officio Member

Absent:

Director Michelle Martinez

Director Shawn Nelson

Director Scott Voigts

City of Santa Ana

County of Orange, 4th District

City of Lake Forest

II. PUBLIC COMMENTS

There were no public comments.

III. CONSENT CALENDAR (Items 1-11)

ACTION: ACTION: Approve Consent Calendar items 1-11

MOTION: Puckett

SECOND: Kring

VOTE: Unanimous

1. MINUTES OF THE BOARD MEETING – MAY 14, 2015

(Kathleen Loch, Clerk of the Board)

FILE NO.: (2015F-001)

ACTION: Approve Minutes.

2. FOOTHILL/EASTERN INVESTMENT REPORT

(Howard Mallen, Director of Finance)

FILE NO. (2015F-003)

Enclosed are the monthly investment reports for the Foothill/Eastern Transportation Corridor Agency (F/ETCA) as April 30, 2015. As of April 30, 2015, all indenture funds are invested in accordance with the permitted investment section of the respective indentures and all non-indenture funds are invested in compliance with both the California Government Code and F/ETCA Investment Policy.

ACTION: Receive and file.

3. BLACK AND WHITE COPIER LEASE

(Sherri McKaig, Manager, Human Resources and Administration)

FILE NO. (2015J-030)

The Foothill/Eastern Transportation Corridor Agency and the San Joaquin Hills Transportation Corridor Agency current black and white copier lease will expire June 30, 2015. Upon the conclusion of a competitive procurement process, staff recommends award of a contract to Konica Minolta Business Solutions, USA, Inc. for a 36-month lease of six (6) black and white copiers.

ACTION: Authorize the chief executive officer (CEO) to execute contract No. K001019 with Konica Minolta Business Solutions USA, Inc. to lease six (6) black and white copiers for a period of three years starting July 1, 2015 at a total cost of \$75,091, of which 66%, or \$49,560, is allocated to the Foothill/Eastern Transportation Corridor Agency (F/ETCA). The total three-year (36 month) cost to the F/ETCA is \$49,560.

4. UPPER CHIQUITA CANYON CONSERVATION AREA AND LIVE OAK PLAZA
PROPERTY MANAGEMENT PROGRAM

(Doug Feremenga, Principal Environmental Analyst)

FILE NO. (2015F-015)

Management of the Upper Chiquita Canyon Conservation Area (UCCA) is required in order to continue compliance with the terms and conditions of the U.S. Fish and Wildlife Service (USFWS) biological opinion (BO) and the 1997 UCCA Resource Management Plan (RMP). Specifically, the USFWS BO requires the UCCA to function as a contiguous wildlife habitat in perpetuity and compels the agency to assure that the entire 1,158-acre site is permanently managed to maintain and improve existing wildlife values. Management of the Live Oak Plaza property is required to meet the Foothill/Eastern Transportation Corridor Agency's goal to protect the property for its conservation values and to meet Orange County's requirements for the reduction of fire hazards near improved structures. The required management activities include, but are not limited to, access road maintenance, mowing, weed control, fuel modification services, fence and sign installation, as well as the re-seeding of native habitat areas. Funding for the above contract in the amount of \$19,349 has been included in the proposed Fiscal Year 2016 budget. Funding for subsequent fiscal years will be requested in the respective years' proposed budgets.

- ACTION:
1. Authorize the chief executive officer (CEO) to award a three-year contract to Nakae & Associates, Inc. for the management of Upper Chiquita Canyon Conservation Area and Live Oak Plaza for an amount not-to-exceed \$60,000.
 2. Authorize the CEO to make additional changes deemed necessary and execute future amendments within five percent (\$3,000) of the above contracts without further action by the Board of Directors.

5. UPPER CHIQUITA CANYON CONSERVATION AREA PATROL SERVICES

(Doug Feremenga, Principal Environmental Analyst)

FILE NO. (2015F-012)

The use of patrol services at Upper Chiquita Canyon Conservation Area (UCCA) is required to minimize public trespassing; thereby, allowing the Foothill/Eastern Transportation Corridor Agency (agency) to manage the conservation area for the preservation and protection of existing wildlife values. Despite the agency installing wire fencing and posting "No Trespassing" signs on the property, these measures have not completely eliminated access to the site, and unauthorized activities such as hiking, bicycling, motor biking, and equestrian uses continue. In order to effectively deter trespassing at UCCA, staff is proposing a two-pronged approach that utilizes a private patrol company and the Orange County Sheriff's Mounted Enforcement Unit (MEU). Staff recommends the Board authorize the CEO to award a three-year contract to RMI International Inc. and a one-year contract to Orange County Sheriff's MEU for the patrol services. Funding for the above contracts in the amount of \$176,000 is included in the proposed Fiscal Year 2016 budget. Funding for subsequent fiscal years will be requested in the respective years' proposed budgets.

- ACTION:
1. Authorize the chief executive officer (CEO) to award a three-year contract to RMI International, Inc. for the Upper Chiquita Canyon Conservation Area patrol services for an amount not-to-exceed \$138,000.
 2. Authorize the CEO to award a one-year contract to Orange County Sheriff's Mounted Enforcement Unit for the Upper Chiquita Canyon Conservation Area patrol services for an amount not-to-exceed \$130,000.
 3. Authorize the CEO to make additional changes deemed necessary and execute future amendments within five percent of the above contracts values without further action by the Board of Directors.

6. REGIONAL PLANNING AND POLICY CONSULTATION SERVICES
(Valarie McFall, Director, Environmental Planning)

FILE NO. (2015J-024)

This contract provides the Foothill/Eastern and San Joaquin Hills Transportation Corridor Agencies' (agencies) staff with technical assistance during the development of the Southern California Association of Governments and the San Diego Association of Governments respective regional transportation plans, as well as the monitoring of various regulations related to transportation and air quality that have a potential to affect the agencies' existing and planned capital improvement projects.

- ACTION:
1. Authorize the chief executive officer (CEO) to award a three-year contract to Carla Walecka Planning to provide Regional Planning and Policy Consultation Services at a cost not-to-exceed \$210,040.
 2. Authorize the CEO to make additional changes deemed necessary and execute future amendments within five percent (\$10,502) of the above contract without further action by the Board of Directors.

7. INTERNATIONAL BRIDGE TUNNEL AND TURNPIKE ASSOCIATION ANNUAL MEETING - TRAVEL AUTHORIZATION
(Samuel Johnson, Chief Toll Operations Officer)

FILE NO. (2015J-041)

TCA's active participation in IBTTA and its conferences provides staff with knowledge and contacts to support agency efforts; and also provides a platform to advance the agency's interest and provide a voice in guiding the industry and efforts such as national interoperability. Staff attendance to the 2015 annual meeting is expected to offer a substantial learning agenda and to continue the agency's active leadership role on the Board of Directors and committees. Staff requests consideration and authorization of international travel outside of North America by the chief executive officer and chief toll operations officer to attend the 2015 IBTTA Annual Meeting in Dublin, Ireland.

- ACTION:
- Authorize international travel by the chief executive officer and chief toll operations officer to attend the 2015 International Bridge Tunnel and Turnpike Association (IBTTA) Annual Meeting in Dublin, Ireland.

8. EXTENSION OF THE STATE OF CALIFORNIA - CALIFORNIA HIGHWAY PATROL CONTRACTS

(Stephen Lee, Credit Collections Specialist)

FILE NO. (2015J-038)

Staff recommends continuing to contract with the State of California for use of CHP officers for toll violation enforcement services through June 30, 2017. The primary purpose for utilizing CHP is to deter violators and enforce violations for scofflaws. CHP officers cite motorists whose vehicles do not have a transponder and are using the roads with no plates or obscured plates to purposely avoid toll payment. In addition, the officers are given a weekly "hot list" which provides detailed information regarding specific repeat violators. This program is successful in controlling the growth rate of no plate and obscured violation occurrences. Staff is recommending an extension of the contracts with the CHP at a cost of \$252,000 for Foothill/Eastern Transportation Corridor Agency and \$148,000 for San Joaquin Hills Transportation Corridor Agency per year.

- ACTION:
1. Authorize the chief executive officer (CEO) to execute amendments to California Highway Patrol (CHP) Contracts K000029 and K000030 for Toll Violation Enforcement Services extending the term for two years through June 30, 2017 with a not to exceed amount of \$252,000 per year (K000029 for \$77,008 and K000030 for \$174,992).
 2. Authorize the CEO to execute additional changes to the annual not to exceed amount within five percent (\$12,600) of the annual contract values without further Board of Director's action.

9. TOLL EVASION ENFORCEMENT RECOVERY SERVICES

(Stephen Lee, Credit Collections Specialist)

FILE NO. (2015J-039)

JRA provides enforcement services for civil judgments awarded to the agencies, as allowed under the California Vehicle Code. These services are necessary to support toll compliance against egregious violators and scofflaws. JRA has performed adequately under the terms of the existing contract and staff is recommending authorization to exercise the first of two one-year options.

- ACTION:
- Authorize the chief executive officer (CEO) to execute the first year of two one-year extension options for Contract K000763 to Judgment Recovery Assistance, LLC (JRA) for a not-to-exceed amount of \$95,160.

10. TRANSPONDER PROCUREMENT

(Patricia Bond, Sr. Operations Analyst)

FILE NO. (2015J-028)

Highway Toll Administration, LLC (HTA) is one of the TCA's largest accounts and acts as a third-party toll account provider for large fleet customers such as rental car companies. HTA recently informed staff of their need for up to 15,000 additional FasTrak® transponders to provide to their customers. Due to their transponder housing design, they require the square, standard transponder model that TCA has been providing since 2010. Switchable transponders, which are rectangle-shaped, have become the primary market in California, and only one vendor is capable and willing to provide TCA the square model. Staff requests authorization to purchase an additional 15,000, standard size, replaceable-battery transponders from the 3M Company, to fulfill the order request for HTA.

ACTION: Approve and authorize the chief executive officer (CEO) to execute purchase orders with the 3M Company to supply the agency with transponders in an amount not-to-exceed \$109,998.

11. CUSTOMER SERVICE CENTER CONTRACT LABOR

(Patricia Bond, Sr. Operations Analyst)

FILE NO. (2015J-037)

The Boards' authorized use of temporary staffing services to augment customer service personnel has proven effective in addressing workload demands. Staff has also found the use of these services as an efficient tool for managing extended leaves of absences, turnover and as a source for new hires. It is anticipated that the continued use of temporary staffing services would be utilized until a new long-term contractor is in place. The term of the current contracts expires on June 30, 2015, and need to be extended with additional capacity to support projected staffing needs.

ACTION: Authorize the chief executive officer (CEO) to amend and execute contracts for temporary staffing services in support of Customer Service Operations in an amount not to exceed \$95,165 with a term to expire on June 30, 2016.

V. BOARD BUSINESS (ITEM 12-19)

12. FOOTHILL/EASTERN TRANSPORTATION CORRIDOR AGENCY FISCAL YEAR 2016 ANNUAL BUDGET

(Amy Potter, Chief Financial Officer)

FILE No. (2015F-014)

ACTION: Approve Resolution No. F2015-03 entitled "A Resolution of the Board of Directors of the Foothill/Eastern Transportation Corridor Agency Approving the Budget for Fiscal Year 2016" in the amount of \$161,014,635.

Amy Potter, Chief Financial Officer, presented this item to the Board.

There was no Board discussion on this item.

MOTION: Shea

SECOND: Kring

VOTE: Unanimous

13. INTERIM CUSTOMER SERVICE CENTER SYSTEM MAINTENANCE CONTRACT

(Rick Carrier, Director, Tolling and Customer Information Systems)

FILE No. (2015J-025)

This contract provides maintenance and support of the legacy CSC system until a replacement system can be procured and made operational. Staff recommends awarding BRiC-TPS LLC an 18 month contract in the amounts not to exceed \$1,939,631 for the Foothill/Eastern Transportation Corridor Agency and \$955,341 for the San Joaquin Hills Transportation Corridor Agency.

ACTION: Authorize the chief executive officer (CEO) to execute Contract No. K001001 with BRiC-TPS, LLC, in an amount not to exceed \$1,939,631 to maintain the legacy Customer Service Center (CSC) system for the anticipated 18 months needed to complete the procurement and implementation of a replacement CSC system.

Samuel Johnson, Chief Toll Operations Officer, presented this item to the Board and responded to questions.

Chairman Young noted that there was a robust conversation on this item during the San Joaquin Hills Board of Directors Meeting with Director Shea requesting additional information. He requested that Samuel Johnson address some of the concerns that were raised at the San Joaquin Hills Board Meeting.

Samuel Johnson reported that the current system in place is known as the Legacy System. TCA's current contract with the Legacy System maintainer expires on June 30 this year. This system allows the agency to process transactions that are captured on the road; assign those appropriately to customer accounts, one-time toll, or violations to make sure that we collect all of the revenue. This system also needs to be working 24 hours a day/7 days a week. Staff has had discussions with the Board regarding the purchase of a new system; however, implementing that new system is going to take approximately 18 to 24 months.

In the interim period between our current contract expiring and our ability to get a new system in place, TCA needs an interim system maintainer. Staff has been briefing the Joint Toll Operations Ad Hoc Committee on this procurement process. Staff issued a request for proposals in March of this year, with proposals due in April. Staff only received one proposal, because not many firms are willing to come in and take over responsibility and the accountability of maintaining someone else's system as it is viewed as a high risk proposition to most firms in this industry. Staff knew that there was one firm, BRiC-TPS that had the skills and the experience to do this work. The reason the firm has those skills is because they are hiring the folks who are currently doing the work for TCA today under the 3M contract. They are also the same people who originally developed the system for TCA many years ago. Staff still conducted the same amount of due diligence for this single proposer as they would do if multiple proposals were received.

The San Joaquin Hills Board earlier this morning, was asking for more detail regarding the number of employees and the salary rates and benefits that are included in the contract. The actual rate per employee has been identified as confidential and it's justifiable for the proposer because if they make what they pay to their employees' public, other firms will try to recruit their employees, which is why their rates have been marked confidential. The range of positions that are included in the scope of services, which range from report writers, quality assurance personnel who review software changes, programmers and website developers, data base administrators and a project manager, the pay range of those positions range from about \$53/hour to about \$75/hour. Staff negotiated those rates to make sure they were consistent with market rates in Orange County.

Staff also negotiated all of the details of their benefits, taxes, and their overhead by reviewing every line item that they included from healthcare costs, social security contributions, 401K; etc. Their overhead rate was reviewed and every line item proposed which ranged from office supplies to rent and to insurance. Staff feels they went through significant detail in making sure that TCA was getting a fair price for the services requested.

At the request of the Chair, Director Bartlett summed up the discussion from the San Joaquin Hills Board meeting on this item. She noted with reference to the \$3 million contract, the San Joaquin Hills Board broke it down but didn't have the backup data with regards to the details on the proposal. There will be 8-1/2 full-time equivalent positions which will be funded through this contract and when calculated comes out to about \$19,000/month per employee; this also includes some of the fixed costs involved. With regard to the old system versus the new system, the Board wants to make the transition as soon as possible. But the specific motion that I made had to do with the staff recommendation to move forward but also that you would create at least the first stage or the first round of the RFP for the new system within the first three months so that we keep things moving forward in a timely fashion.

MOTION: Bartlett moved to approve staff recommendation with the staff coming back to the Board if they have not initiated the first round of the RFP within 90 days.

SECOND Young

VOTE: Unanimous

14. DESIGN/PROGRAM MANAGEMENT SERVICES AND STAFF ASSISTANCE
(Juliet Su, Corridor Manager - Design)

FILE No. (2015J-023)

TCA outsources design and program management services to support the Agencies' Capital Improvement Plan. The services are performed by Corridor Design Management Group (CDMG) a joint venture of three large, highly qualified engineering firms. Approval will fund tasks for the next fiscal year as outlined in the report.

- ACTION:
1. Authorize the chief executive officer (CEO) to execute task orders within contract K000002 with the Corridor Design Management Group (CDMG), for a not-to-exceed amount of \$36,950 for support of the agency's capital projects.
 2. Authorize the CEO to execute additional changes to this contract within five percent (\$1,847) of the above amount.

Juliette Su, Corridor Manager – Design, presented this item to the Board and responded to questions. Additional information was provided by Mike Kraman, Chief Executive Officer.

Board discussion included: A recommendation that after 28 years under the same contract, staff send out an RFP so that we have that process in place to be open and transparent.

MOTION: Puckett moved staff recommendation.

SECOND: Murphy

Additional Board comments included: Clarifications on Task Orders FE 37 and FE 39; a request that the money not be spent pending the outcome of the Water Quality Control Board appeal; do we keep planning the Capital Improvement Projects when the agency has not dealt with the fact that the City of San Juan Capistrano has pulled their approval of the Tesoro Extension pending the long-range plan; and clarification as to how much of the contract amount is specifically being allocated to the Tesoro Extension.

Chairman Young clarified that there are zero dollars that are proposed for this item for the Tesoro Extension. Existing funds are already in the budget but there are no additional dollars that are being requested.

VOTE: Unanimous with an abstention by Director Kring due to the Levine Act.

15. MARKETING CONTRACT

(Lisa Telles, Chief Communications Officer)

FILE No.

(2015J-029)

ELA Advertising was awarded a three-year contract in June 2013 to provide marketing and advertising services to increase awareness of the value of driving The Toll Roads and promote payment with FasTrak®, ExpressAccounts® and online with One-Time-Toll®. The contract scope also includes public relations and outreach to the Hispanic market. The proposed amendment will fund the third year of the contract in the amount of \$1.5 million. A refreshed marketing and advertising campaign is proposed for Fiscal Year 2016 to shift The Toll Roads brand perception, increase awareness and to drive new account sign ups.

ACTION: Authorize the CEO to execute contract No. K000817 Amendment 3 with ELA Advertising in the amount of \$1,005,000 for marketing services with a budget breakdown as outlined in the staff report for marketing services through June 30, 2016.

Lisa Telles, Chief Communications Officer, presented this item to the Board and responded to questions.

Board discussion included: How the dollar amount breaks down; are we going to spend it all on print; when the agency purchase our buys for radio, do we let the marketing firm do the placement or are we doing a lot of the radio ads that commuters listen to during traffic reports; and a request to have ELA give both Boards an overview/presentation of what the new plan is, “enjoy the ride;” a suggestion to create or update an App for smart phones and try and tie it in with either the Disney App or some of the car rental agencies as travelers would respond favorably to a text messages stating “hey you are on the toll road; don’t forget to pay your fee;” an app version be created not so much from an advertising standpoint but from a standpoint of utilization, which could leverage the satisfaction level as well as the concurrence in terms of payment; a suggestion that the app should be a self-standing app that can be downloaded to smart phones. When a car is rented information is provided that if this app put on the phone and if you enable GPS at the same time, the app’s standalone can remind you that you are on the toll road and provide instructions on how to pay and the amount of the toll;

Lisa Telles noted that TCA is utilizing primarily radio and online digital advertising. Staff is looking at mobile phone advertising as well and radio streaming advertising for Spotify, so all of the advertising is electronic. Staff is also working on the messaging during the commute time and working on those details. She anticipates ELA will be presenting the new marketing plan to the Marketing Ad Hoc Committee in July with all of the details and then offer a full presentation to the Boards for the launch or provide it electronically. With regards to providing information to conventioners, Ms. Telles noted that staff has done a lot of work on trying to get the information about the Toll Road and how you pay on to the Visitors Association of all of the cities so you're traveling in.

MOTION: Bartlett to approve staff recommendation.

SECOND: Shea

Additional Board discussion included: A suggestion that an app be designed that can go into the materials for the conventioner's when they visit; in particular with the City of Anaheim.

VOTE: Unanimous

16. FEDERAL LEGISLATIVE ADVOCACY SERVICES

(Barbie Daly, Manager of Government & Legislative Affairs)

FILE No.

(2015J-036)

Staff recommends the Boards authorize Amendment No. 4 to Contract No. K000655 with Akin Gump Strauss Hauer & Feld, LLP in an amount not-to-exceed \$301,000 for the Foothill/Eastern Transportation Corridor Agency and \$24,000 for the San Joaquin Hills Transportation Corridor Agency for federal advocacy services beginning July 1, 2015 through June 30, 2016. The monthly retainer for services remains unchanged.

ACTION: Authorize the chief executive officer (CEO) to execute Amendment No. 4 to Contract No. K000655 with Akin Gump Strauss Hauer and Feld, LLP in an amount not-to-exceed \$276,000 for services and \$25,000 for expenses.

Barbie Daly, Manager of Government & Legislative Affairs, presented this item to the Board.

There was no Board discussion on this item.

MOTION: Kring to approved staff recommendation

SECOND: Bartlett

VOTE: Unanimous

17. 2015 LEGISLATIVE WATCH LIST & PLATFORMS

(Barbie Daly, Manager of Government & Legislative Affairs)

FILE No.

(2015J-032)

Staff is recommending approval of the 2015 state and federal legislative platforms attached to this staff report for the Foothill/Eastern and San Joaquin Hills Transportation Corridor Agencies (TCA). These documents outline the agencies' statutory, regulatory, legislative and administrative goals that will serve as a guide for the TCA Board of Directors and staff during the 2015 legislative cycle.

Each year the Boards of Directors are asked to take a watch, support or opposed position on various pieces of legislation introduced in the California State Legislature. Staff recommends that the Boards take support on three State bills and one Federal bill and continue to watch 37 State bills during this calendar year.

- ACTION:
1. Adopt the 2015 Federal Legislative Platform
 2. Adopt the 2015 State Legislative Platform
 3. Approve the 2015 State Legislative Watch List and Adopt the State & Federal Recommendations included in the staff report.

Barbie Daly, Manager of Government & Legislative Affairs, presented this item to the Board and responded to questions.

Board discussion included: Director Ferguson and Ward noted they could not support the State Legislative Watch List; a recommendation that if the bills start to go sideways or important information comes up on a real time basis, that an email blast be sent to the Board Members.

MOTION: Young moved to adopt all three of staff's recommendations; adopting the 2015 Federal Legislative Platform, the 2105 State Legislative Platform, and the 2015 State Legislative Watch list as well as the State and Federal recommendations.

SECOND: Kring

Chairman Young noted for clarity, he would take each item separately for a vote.

MOTION: Young moved to adopt the 2015 Federal Legislative Platform

SECOND: Kring

VOTE: Unanimous

MOTION: Young moved to adopt the 2015 State Legislative Platform

SECOND: Kring

VOTE: Unanimous with opposition from Directors Ferguson and Ward

MOTION: Young moved to approve the 2015 State Legislative Watch List and Adopt the State & Federal Recommendations included in the Staff Report

SECOND: Kring

VOTE: Unanimous with opposition from Director Ward

18. CONSULTING AND ADVOCACY SERVICES/TESORO EXTENSION AND LONG-RANGE STRATEGIC PLANNING

(Barbie Daly, Manager of Government & Legislative Affairs)

FILE No. (2015F-017)

Staff recommends the approval of five contracts to provide consulting and advocacy services for the Tesoro Extension regulatory process and long-range strategic planning efforts that will benefit mobility in the region.

- ACTION:
1. Authorize the chief executive officer (CEO) to execute Amendment No. 3 with Richard Katz Consulting, Inc. for an amount not-to-exceed \$75,600 for services through June 30, 2016.
 2. Authorize the CEO to execute Amendment No. 3 with Robert Naylor Advocacy for an amount not-to-exceed \$63,600 for services through June 30, 2016.
 3. Authorize the CEO to execute Amendment No. 5 with Latimer Partners, LLC for an amount not-to-exceed \$63,600 for services through June 30, 2016.
 4. Authorize the CEO to execute Amendment No. 12 with Packard Government Affairs for an amount not-to-exceed \$60,000 for services through June 30, 2016.
 5. Authorize the CEO to execute Amendment No. 18 with Barrios and Associates, LLC/Communications Lab for an amount not-to-exceed \$217,000 for services through June 30, 2016.

Barbie Daly, Manager of Government & Legislative Affairs, presented this item to the Board.

There was no Board discussion on this item.

MOTION: Shea to approve staff recommendation

SECOND: Bartlett

VOTE: Unanimous with one opposition from Director Ferguson

19. ANNUAL REVIEW AND COMPENSATION ADJUSTMENT FOR CHIEF EXECUTIVE OFFICER, MICHAEL A. KRAMAN

(Craig Young, Chairman)

FILE No. (2015J-042)

The Boards of Directors will consider the performance of Michael A. Kraman as CEO and will recommend and approve adjustments to Mr. Kraman's Contract of Employment and compensation as deemed necessary to the Boards.

- ACTION:
- As necessary, approve an amendment to the Contract of Employment with Michael A. Kraman, to serve as Chief Executive Officer (CEO) as recommended by the Board of Directors and authorize the Chairman to execute the amendment.

This item was presented to the Board by Chair Young with a brief report given by Sherri McKaig, Manager of Human Resources and Administration.

Ms. McKaig noted that the CEO's current compensation, is \$240,000 annually, and the Board is considering a merit increase and a bonus based on the annual performance review. This is also the second year of a three-year contract.

Chairman Young added that the San Joaquin Hills Board recommended two different increases; one is a base increase of 4%, which is in line with what was approved for the staff, and the second was a non-base building merit bonus of \$15,000; these are the two recommendations that were adopted by that Board. There would be a \$9,000 base building salary increase and a one-time non-base building bonus of \$15,000.

Board discussion included: questions if a salary study was done; did the Executive Committee do a comparison with other CEO's in transportation; questions with the CEO employment contract regarding "outside activities" and approval of those activities by the Chairs only and not the full Boards; clarification as to the outside activities of the current CEO; reimbursement of travel expenses and approval process; if the provisions within the contract are "fair game" when discussed annually; a suggestion that travel and expense reporting be included in the CEO activity reports that are very concise and very regular and if there are plans for trips in terms of business that those are communicated there to use as a cross-reference that is the balance to ensure that the rest of the Board is aware; the "termination without cause provisions in the contract with regards to the current 180 days' pay if the CEO is terminated versus the 90 days if the CEO resigns, which is excessive and not consistent with other agencies/cities;

Following the discussion, Chairman Young proposed the following two motions:

MOTION: Young moved to approve the recommendation of San Joaquin Hills Board of Directors approved, which would be the confidential review that we will release on the actual evaluation form, but as far as the salary increase, it was a proposed increase of 4% to the base building (\$9,600) and a non-base building bonus of \$15,000. The amendment to the contract would come back to this Board in July, although effective on July 1.

The second motion is as follows:

MOTION: Young moved approval of those financial increases but subject to:

1. Paragraph 3, The Scope of Duties, the review would come back to the full Board as opposed to just the Chairpersons
2. Paragraph 6.4, Termination by Agency without Cause – changing that to three month period as opposed to the six month period that is currently in place.

Chairman Young noted these two motions would be the approval as subject to review in July of the dollar amounts as proposed and the second approval of the dollar amounts but only subject to the changes in the agreement.

MOTION: Young moved approval of the dollar amounts without the conditions as suggested by Director Spitzer

SECOND: Kring

AYES: Bartlett, Young, Kring, Puckett, Tomlinson, Rath

NAYES: Spitzer, Beall, Ward, Murphy, Ferguson, Shea

The motion failed.

MOTION: Young moved to approve the dollar amounts subject to the following:

1. Paragraph 3, The Scope of Duties, the review would come back to the full Board as opposed to just the Chairpersons
2. Paragraph 6.4, Termination by Agency without Cause – changing that to three month period as opposed to the six month period that is currently in place.

SECOND: Shea

AYES: Young, Beall, Ferguson, Kring, Murphy, Puckett, Tomlinson, Shea, Spitzer, Ward

NAYES: Rath, Bartlett

Additional Board discussion:

Chairman Young stated that this decision needs to be communicated to the San Joaquin Hills Board Members and questioned legal counsel how this may be done.

Legal Counsel George Joseph suggested that the Chairs communicate regarding what occurred at this Board Meeting and since the previous approval was subject to coming back to the Board with an actual contract amendment, then the San Joaquin Hills Board could consider the amendment in the form approved by Foothill/Eastern at that time.

Chairman Young proposed that the amendment, because the Board did not have a chance to discuss this with San Joaquin Hills, that it come back as they had suggested in July.

Director Spitzer suggested both Boards meet jointly to further discuss this item.

CHIEF EXECUTIVE OFFICER'S REPORT

(Michael Kraman, Chief Executive Officer)

- Traffic & Revenue Update

CEO Kraman reported that transactions were up 3.9% in May for the agency and revenues up 5.8%.

were

CEO Kraman thanked the Directors for all of their work, along with staff, and Amy Potter in particular, on the FY16 budget. A lot of work went into that process and I think we have a great budget that was approved today; we have a great outlook for the year that is coming up, and a lot of important things ahead for this agency. So we're just going to keep on working. Every meeting we polish the procedures a little better to understand what the Board Members are looking for. We are going to get better but it doesn't mean we are not going to stumble and struggle a little bit each time. As long as we keep that upward spiral going, we are headed in the right direction. CEO Kraman thanked the Directors for their comments on the staff because he couldn't do this job without a great staff.

DIRECTORS' REPORTS AND NEW BUSINESS

(Craig Young, Chairman)

- Ad Hoc Committees – Monthly Reports

Joint Environmental Ad Hoc Committee

Director Young reported that The Joint Environmental Ad Hoc met on May 21 to discuss the following: Staff's recommended contracts that were included in today's agenda for Regional Planning Services, Upper Chiquita and Live Oak habitat management, and patrol services; the various mitigation properties owned by TCA and staff's conceptual plan to transfer a portion of these properties; and the Communications Department's proposal to initiate a regional dialogue on wildlife connectivity and a prioritization of task orders for the newly approved environmental technical writer.

Joint Toll Operations Ad Hoc Committee

will
Director Puckett reported that The Joint Toll Operations Ad Hoc Committee was held on June 10. The committee received information on contracting items and future procurements that be presented to the Board for approval. These include:

- Procurement of an interim contractor to maintain the legacy toll system until a new one can be implemented.
- Customer Service Center Contract Labor Extension
- Printing and Mail House Services
- Image Review Services
- Customer Service Center Back Office System

Staff updated the committee with the current schedule for signage research, including focus group and drive-along observation studies. The Committee was also briefed on an upcoming Toll Operations Workshop tentatively scheduled for August. All board members will be invited to attend to discuss various aspects of toll operations processes and policies.

Joint Compensation Ad Hoc Committee

Director Puckett reported that The Joint Compensation Ad Hoc Committee met on May 21, 2015 to review the medical plan coverage options that TCA offers, the splits in cost between TCA and the individual employees, and the number of employees who have elected to participate in each plan option. Staff presented the results of a preliminary analysis of employer and employee costs as compared to other member agencies that indicated that TCA costs appear to be in line with its peers. The Committee discussed possible effects of the Affordable Care Act on future health benefit costs and instructed staff to develop various benefit options, including flat rate options, to be reviewed in September after the agency receives 2016 plan rates.

Joint Legislative Ad Hoc Committee

Director Bartlett reported that the Joint Legislative Ad Hoc Committee met a week ago Wednesday. Staff incorporated changes to the legislative platforms based on the conversation and suggestions at the April Board meetings. The revised platforms were given to the committee in advance of the meeting to ensure all questions and concerns were addressed. The committee supported the changes that were presented to the Board today. The legislative watch list was presented to the boards in April and direction was given to take it back to the committee for further review. As such, staff and Bob Naylor, our advocate in Sacramento, reviewed the watch list with the committee and recommended positions on three state bills and one federal bill. The committee supported these positions, which were also presented to the Board today.

Joint Marketing Ad Hoc Committee

Director Shea reported that a Joint Marketing Ad Hoc Committee meeting was held on May 20. At that meeting the committee reviewed the concept for the FY16 marketing plan and the proposed use of an additional \$200,000 in funding. The ad hoc committee also discussed the components of the budget and the percent of the budget allocated to the management fee. The committee agreed to a \$1.5 million budget for next year's marketing and advertising contract with ELA Advertising and directed staff to negotiate with ELA on the breakdown of the budget with a majority of the additional funds going toward media buys and that the management fee should be 15% of the budget. The results were included in the staff report discussed earlier in this meeting.

Director Bartlett reported that she is honored to serve on the California Transportation Commission Technical Advisory Committee for the Roadway Usage Charge. Pursuant to State Legislation 1077, the Governor has mandated that this committee come up with a pilot program for the State of California thereby changing your gasoline taxes that you currently pay into a vehicle miles travelled type of arrangement. The committee has met several times and is coming up with a matrix for the different types of options for data collection, taking into account privacy for the users on the road, the types of users, and demographics. We are working on collecting data now for the focus groups and then after we have the focus groups meetings we will be formulating a plan for rolling out a pilot program. We are looking at a lot of different options, coming up with a matrix with all of the different types of users, socioeconomic groups, types of devices, manual methods, technology based methods, and I'll report back to you on a monthly basis on our progress.

Chairman Young questioned legal counsel if there would there be a problem with us publishing the ad hoc committee reports in the agenda packets that come out before the Board Meetings.

George Joseph responded that there is no problem publishing them beforehand.

Chairman Young requested that staff include the prepared remarks in the Board agenda packages just so that they can study them more diligently and be able to ask questions over the course of the next month.

CEO Kraman noted that they could be provided with the exception of those committee meetings that occur after the Board packages go out.

Director Shea agreed the reports should be in a packet for us to review or they should be read before we start getting into the discussion on a particular agenda item.

Director Beall added that it seems included in our staff reports for any agenda item, there is a transmittal that usually summarizes what subcommittees have reviewed it and what the recommendations were so it would seem redundant.

CEO Kraman responded that one of the things to be considered is as the staff puts the agenda together, to have the committee reports right before the item. Additionally, as we go through the committee restructure process where we are changing the number of committees, this will line up better as well and then we can have those reports with the item as opposed to after the item.

V. CLOSED SESSION

There were no items for Closed Session

VI. FOOTHILL/EASTERN ADJOURNMENT

The meeting was adjourned at 1:10 p.m. The next regularly scheduled meeting of the Foothill/Eastern Board of Directors is Thursday, July 9, 2015, at 10:30 a.m., TCA Offices, 125 Pacifica, Irvine, CA 92618.

ATTEST:

Kathleen Loch, CAP-OM, Clerk of the Board

Sherri McKaig, Assistant Secretary to the Board

Craig Young, Chairman
Foothill/Eastern Board of Directors

EXHIBIT E

SAN JOAQUIN HILLS TRANSPORTATION CORRIDOR AGENCY
FOOTHILL/EASTERN TRANSPORTATION CORRIDOR AGENCY

SPECIAL JOINT MEETING OF THE BOARDS OF DIRECTORS

Craig Young, Chair of the Board of Directors of the Foothill/Eastern Transportation Corridor Agency and Ross Chun, Chair of the Board of Directors of the San Joaquin Hills Transportation Corridor Agency, hereby call the following Special Joint Meeting of the Boards to be conducted at the following time and location:

June 29, 2015

9:00 a.m.

TCA Offices

Committee Conference Room

MINUTES

I. CALL TO ORDER

The meeting was called to order at 9:15 a.m.

PLEDGE OF ALLEGIANCE

(Chair Chun)

INVOCATION

(Director Shea)

OATH OF OFFICE

Chairs Chun and Young administered the Oath of Office to Michele Martinez, the new Director for the City of Santa Ana.

ROLL CALL – SAN JOAQUIN HILLS BOARD OF DIRECTORS

Chair Ross Chun

Director Lisa Bartlett

Director Bert Hack

Director Michele Martinez

Director Scott Peotter

Director Ed Sachs

Director Scott Schoeffel

Director Christina Shea

Director Kathy Ward

City of Aliso Viejo

County of Orange, 5th District

City of Laguna Woods

City of Santa Ana

City of Newport Beach

City of Mission Viejo

City of Dana Point

City of Irvine

City of San Clemente

Absent:

Vice Chair Melody Carruth	City of Laguna Hills
Director Kerry Ferguson	City of San Juan Capistrano
Director Laurie Davies	City of Laguna Niguel
Director Gary Monahan	City of Costa Mesa
Director Todd Spitzer	County of Orange, 3rd District

As a result of a lack of a quorum, The San Joaquin Hills Board of Directors convened as a committee of the whole.

ROLL CALL – FOOTHILL/EASTERN BOARD OF DIRECTORS

Chair Craig Young	City of Yorba Linda
Vice Chair Lisa Bartlett	County of Orange, 5 th District
Director Tony Beall	City of Rancho Santa Margarita
Director Lucille Kring	City of Anaheim
Director Michelle Martinez	City of Santa Ana
Director Mark Murphy	City of Orange
Director Charles Puckett	City of Tustin
Director Greg Rath	City of Mission Viejo
Director Scott Schoeffel	City of Dana Point
Director Christina Shea	City of Irvine
Director Kathy Ward	City of San Clemente

Absent:

Director Kerry Ferguson	City of San Juan Capistrano
Director Shawn Nelson	County of Orange, 4th District
Director Todd Spitzer	County of Orange, 3rd District
Director Scott Voigts	City of Lake Forest

II. PUBLIC COMMENTS

There were no public comments.

III. CLOSED SESSION

Legal Counsel George Joseph announced the closed session, noting that the closed session under Government Code Section 54956.9(b)(1) and (b)(3)(B) arose out of a dispute between 3M Company and the Transportation Corridor Agencies arising out of the expiration of the Toll Enforcement and Customer Services Contract between the Agencies and 3M Company, and noted there might be reportable action.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

- Significant exposure to litigation pursuant to subdivision (b)(1) and (b)(3)(B) of Gov. Code Section 54956.9
(One potential case)
- Initiation of litigation pursuant to subdivision (c) of Gov. Code Section 54956.9
(One potential case)

Following the Closed Session, Legal Counsel George Joseph reported the following:

While in closed session the Board of Directors of the Foothill/Eastern Transportation Corridor Agency voted unanimously to approve an Amendment to existing License Agreements between the Transportation Corridor Agencies and 3M Company with the following material terms:

- The Amendment confirms that the TCAs have the right to use and modify the software that is the subject of the license for any purpose relating to the operation of the toll roads
- The software shall be used by the TCAs and their contractor solely for purposes relating to the operation of the toll roads, and the TCAs indemnify 3M for any damages incurred due to unauthorized use
- The Amendment is for a two-year term, with a potential two-year extension
- The TCAs shall pay annual license fees of \$10,000 for the first two years of the term, with increased fees, up to a total of \$80,000, should the term be extended for all four years

V. ADJOURNMENT

The meeting was adjourned at 10:05 a.m.

The next regularly scheduled meeting of the San Joaquin Hills Board of Directors will be held July 9, 2015, at 9:00 a.m.

The next regularly scheduled meeting of the Foothill/Eastern Board of Directors will be held July 9, 2015, at 10:30 a.m.

ATTEST:

Kathleen Loch, CAP-OM, Clerk of the Board

Sherri McKaig, Assistant Secretary to the Board

Craig Young, Chairman
Foothill/Eastern Board of Directors

EXHIBIT F

August 11, 2015

COHEN ROBERT
[REDACTED]
TUSTIN, CA 92782

The Toll Roads
P.O. Box 57011
Irvine, CA 92619-7011

Subject: One-Time-Toll
Reference: 13430689

Dear Valued Customer:

Thank you for choosing The Toll Roads!

Thank you for your recent payment of \$1.94. Here are the transaction details for your records:

Transaction Date: August 11, 2015 5:26 PM
Transaction Amount: \$1.94
Payment Type: Visa
Credit Card Number: [REDACTED]xxxxxxx[REDACTED]
Expiration Date: xxxx
Transaction Number: 1733246063
Clerk ID: 3607

Again, thank you for choosing The Toll Roads.

The Toll Roads

Vehicle Information

[Search](#) [Enrollment](#) [Contact](#) [History](#) [Payment](#) [Account](#) [Reports](#) [Log Out](#)[Information](#) • [Vehicle](#) • [DMV Plate](#) • [DMV Name](#)

08-11-15 5:27 PM

Account Information

3607

13430689
MISSED A TOLL
INDIVIDUAL
Agency: FTC/ETC
Opened: 08-11-15



COHEN ROBERT
[REDACTED]
TUSTIN, CA 92782
Nixie: No

E:
H:
W: [REDACTED]
C:

Unapplied Pmt: \$1.94
Outstanding: 0
Balance Due: \$0.00

Vehicles Information

Total: 1 Total Active: 1

[History](#) - [Add](#) - [Refine Search](#)

Plate	State	Year	Make	Model	Color	Code	Start Date	End Date	
[REDACTED]	CA	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	L	08-11-15	08-11-15	A